



2000 Comprehensive Annual Financial Report

California State Teachers' Retirement System

A Component Unit of the State of California
June 30, 2000

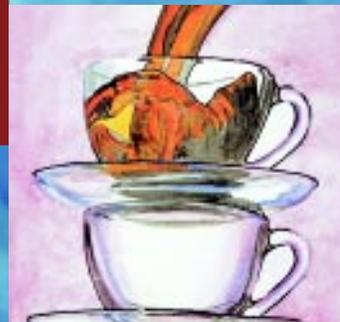
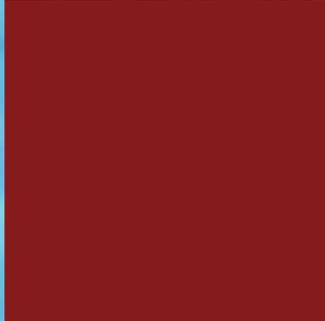
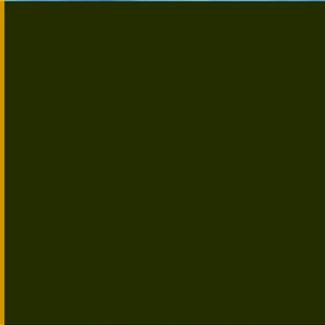
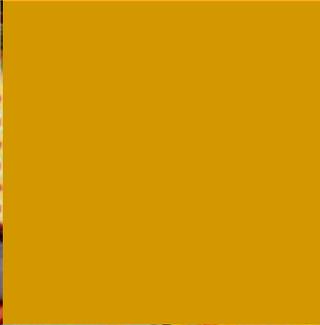




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Michael D. West, *Faces*, Digitally manipulated photography, 18"x14", 2000, Hiram Johnson High School, Sacramento

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JoAnne Cox, *En Vogue Rouge*, Watercolor, 1995, Highlands High School, Sacramento

California State Teachers' Retirement System
A Component Unit of the State of California
2000 Comprehensive Annual Financial Report
for the year ended June 30, 2000

Prepared by the staff of the California State Teachers' Retirement System
7667 Folsom Boulevard Sacramento, CA 95826-2614
James D. Mosman, Chief Executive Officer



ART WORK COURTESY OF CALIFORNIA'S EDUCATORS

The *2000 Comprehensive Annual Financial Report* features works of art by current and retired California educators. These works were exhibited in the Member Art Gallery established in the new Board Room suite, which opened in July 2000. The 60-foot-long gallery presents exclusively works of art by CalSTRS members and Cash Balance Benefit Program participants. The exhibits are changed quarterly.

Interested artists may get more information on offering their art for consideration by contacting Peggy Plett, CalSTRS Deputy Chief Executive Officer, Administration at pplett@calstrs.ca.gov.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

California State Teachers' Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director



Public Pension Coordinating Council
Public Pension Principles
1998 Achievement Award

Presented to

California State Teachers' Retirement System

In recognition of instituting professional standards for public employee retirement systems as established by the Public Pension Principles.

Presented by the Public Pension Coordinating Council, a confederation of
Government Finance Officers Association (GFOA)
National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, appearing to read 'Scott Engmann', is written over a light blue circular background.

Scott Engmann
Chairman

December 20, 2000



California State Teachers' Retirement System
Post Office Box 15275
Sacramento, CA 95851-0275

I am pleased to present the Comprehensive Annual Financial Report of the California State Teachers' Retirement System for the fiscal year ended June 30, 2000. The report is intended to provide complete and reliable information as a basis for making management decisions, determining compliance with legal provisions and determining responsible stewardship of the Teachers' Retirement Plan and the CalSTRS 403(b) Program. Please note the Teachers' Retirement Plan consists of the Defined Benefit and Cash Balance Benefit programs.

I believe this report will be helpful to the California Legislature, CalSTRS members and other interested parties in understanding the California State Teachers' Retirement System, established by law in 1913 to provide retirement benefits to California's public school educators. Responsibility for both the accuracy and completeness of the financial data and the fairness of the presentation rests with me and the management of CalSTRS.

The events and developments of the year mark a threshold for CalSTRS. Thanks to excellent investment returns and the achievement of a fully funded status, CalSTRS is entering a time of increased opportunities for the members. Those members, as of June 30, 2000, included employees of approximately 1,160 school districts, community college districts, county offices of education and regional occupational programs (listed starting page 80).

The 2000 CAFR consists of five sections:

The **introductory section** contains this letter of transmittal, the administrative organization, report of the Teachers' Retirement Board chairperson and a review of CalSTRS achievements and activities.

The **financial section** includes the report of the independent auditor, the system's financial statements and supplemental information for the Teachers' Retirement Plan and CalSTRS 403(b) Program.

The **investment section** contains a consultant's report summarizing investment activity, an explanation of investment policy, portfolio performance information and various investment schedules for the Teachers' Retirement Plan. Investment of the Cash Balance Benefit Program contributions is also discussed. Investment information is not included for the CalSTRS 403(b) Program since all investments are member-directed into mutual funds.

The **actuarial section** includes the actuary's certification letters and summaries for both the CalSTRS Defined Benefit and Cash Balance Benefit programs, in addition to the results of the latest actuarial valuations.

The **statistical section** includes information on the CalSTRS Defined Benefit Program, Cash Balance Benefit Program and CalSTRS 403(b) Program.



Dottie Brown, *Humpty Dumpty*, Mixed media, 1999, Sierra College, Rocklin

ACCOUNTING AND REPORTING

CalSTRS accounting records are maintained on the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Employer and state contributions are recognized when due and the employer or state has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the CalSTRS retirement programs.

Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules.

For the reporting period ended June 30, 2000, the Teachers' Retirement Plan consists of the Defined Benefit and Cash Balance Benefit programs.

REVENUES

Actual member and employer contribution rates for both the Defined Benefit and Cash Balance Benefit programs are set by the Teachers' Retirement Law, a part of the Education Code, which assigns the authority to establish contribution rates to the state Legislature.

Defined Benefit and Cash Balance Benefit programs' contributions and investment income for the fiscal year ended June 30, 2000, totaled \$16.753 billion.

Member/Participant	\$ 1.532 billion
Employer	\$ 1.590 billion
State	\$ 0.939 billion
Investment and other	\$12.690 billion

CalSTRS 403(b) Program

Participant contribution limits are set by the Internal Revenue Code. Contribution and investment income for fiscal year ended June 30, 2000, totaled \$16.908 million.

Participant	\$13.792 million
Investment	\$3.116 million

EXPENSES

The total Defined Benefit and Cash Balance Benefit programs' expenses for the year were \$3.756 billion, which included benefit payments, refund of contributions to terminated members/participants and the cost of administering the system. Administrative expenses are allocated through an annual budget approved by the Teachers' Retirement Board.

CalSTRS 403(b) Program

Total expenses for the year ended June 30, 2000, totaled \$2.726 million, which included recurring annuities and administrative expenses.

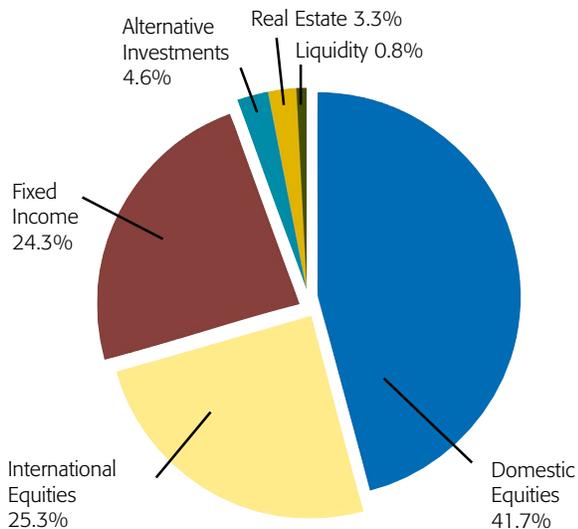
INVESTMENTS

CalSTRS is dedicated to obtaining the highest possible return on its investments of fund assets, given an acceptable level of risk. The CalSTRS Investment Management Plan incorporates strategies that accomplish Teachers' Retirement Board direction. Reducing the system's funding costs, within prudent levels of risk, diversification, and reduction of costs associated with managing the system assets are measures that have contributed to a solid investment portfolio.

The market value of the CalSTRS investment portfolio reached \$112.6 billion on June 30, 2000. The \$112.6 billion represented a gain of \$12.7 billion over the same period last year. This dollar gain represented a return of nearly 13 percent, outperforming its benchmark by more than 200 basis points, adding more than \$2 billion to the fund. Several asset classes exceeded their benchmarks, with exemplary performance shown by the Domestic and Private Equity segment. These strong results allowed CalSTRS'

ASSET ALLOCATION (6/30/00)

Total investment portfolio of \$112.6 billion



portfolio to finish in the 25th percentile in its peer group of large public funds. This marks the second consecutive period in which CalSTRS finished in the top quartile of Public Funds with assets in excess of \$1 billion.

FUNDING

The most recent actuarial valuation, for the fiscal year ended June 30, 1999, shows the Defined Benefit Program is fully funded, having 104 percent of the funds needed to pay the cost of the benefit plan in effect in 1998. Under state law, the Defined Benefit Program receives state General Fund contributions set at a percentage of the prior calendar year's member payroll. With the program fully funded, the amount received from the state was reduced since funding for any shortfall was no longer needed (see page 62).



Xue Lv, *Tea Cup*, Watercolor, 24" x 36", Highlands High School, Sacramento



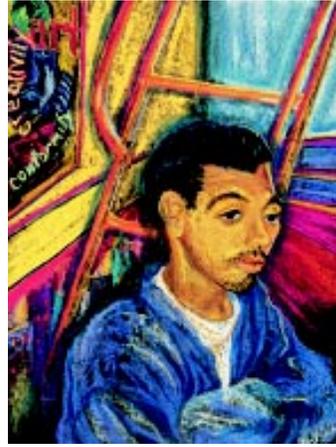
Karen Bruce, *Portrait*, Monotype, 1992, Sierra College, Rocklin

CALSTRS RATED WELL

The CalSTRS portfolio finished in the 25th percentile in its peer group of large public funds.



Pam Avery, *Abstract with Boy, Girl and Horse*, Acrylic, oil pastel, 3'x3.5', 1999, Foothill High School, Sacramento



Peggy L. Martinez, *Portrait of Any Student*, Chalk pastels, 1999, Highlands High School, Sacramento

INITIATIVES

The health care benefits project is an extremely important initiative. In 1998, legislation passed requiring CalSTRS to study the feasibility of providing health care benefits to active members and benefit recipients. The initial focus resulting from this study will be providing premium-free Medicare Part A for those retired members otherwise not eligible for it.

CalSTRS is in the final stages of establishing a new and more flexible database management system that will enhance service to members and support future CalSTRS projects. Conversion to the new system is scheduled for March 2001.

AWARDS

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the California State Teachers' Retirement System for its comprehensive annual financial report for the year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents meet or exceed program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The California State

Teachers' Retirement System has received a Certificate of Achievement for the last three years. We believe our current report continues to meet the Certificate of Achievement Program requirements and are submitting it to GFOA for consideration again this year.

CalSTRS also was awarded the Public Pension Coordinating Council's Public Pension Principles Achievement Award in 1998. This two-year award is for achievement of high professional standards for public employee retirement systems. The award is based on compliance with principles that support retirement system achievements in the areas of benefits, actuarial valuations, financial reporting, investments and disclosures to members.

ACKNOWLEDGMENTS

The compilation of this comprehensive annual financial report reflects the combined effort of CalSTRS staff under the leadership of the Teachers' Retirement Board. I commend their efforts on creating another outstanding report. In addition, I take this opportunity to express my gratitude to the staff, advisors and the many other people and organizations who have worked so diligently to assure the successful operation of the California State Teachers' Retirement System.

Respectfully submitted,

James D. Mosman
Chief Executive Officer



**Emma Y. Zink,
Chairperson**
*(K-12 Classroom Teacher)
San Diego*

*Term:
November 6, 1991 to
November 7, 1995**



Gary Lynes
*(K-12 Classroom
Teacher)
Hillsborough*

*Term:
December 1994
to December 30, 1998**



Delaine Eastin
*Superintendent of
Public Instruction
Ex-Officio Member*



Lillian Raffel
Vice Chairperson
*(School Board Member)
Beverly Hills*

*Term:
September 10, 1996 to
September 6, 2000*



Kathleen Connell
*State Controller
Ex-Officio Member*



Marty Mathiesen
*(System Retiree)
Los Altos*

*Term:
June 4, 1996 to
June 16, 2000**



Phil Angelides
*State Treasurer
Ex-Officio Member*



George W. Fenimore
*(Public Representative)
Los Angeles*

*Term:
December 24, 1992 to
November 7, 2001*



B. Timothy Gage
*Director, Department
of Finance
Ex-Officio Member*



**Yvonne Gallegos
Bodle**
*(Community College
Instructor)
Ventura*

*Term:
September 10, 1996 to
September 6, 2000*

Vacant
(Insurance Official)

Vacant
(Banking Official)

* Member continues to serve at Governor's discretion.



James D. Mosman
Chief Executive Officer



Patrick Mitchell
Chief Investment Officer



Kenneth L. Costa
*Director
START Project*



Ed Derman
*Deputy Chief
Executive Officer
External Affairs and
Program Development*



Christopher Waddell
*Chief Counsel
Legal Office*



Eileen Okada
*Director of Investment
Administration and
External Relations
Investments*



Peggy A. Plett
*Deputy Chief
Executive Officer
Administration*



Michael J. Carter
*Deputy Chief
Executive Officer
Client Benefits
and Services*



**Laurence P.
Martin**
*Deputy Chief
Executive Officer
Information and
Financial Systems*



Gordon Goodban, *Untitled*, Acrylic, watercolor on paper, 13" x 17", 1994, Harriet Eddy Middle School, Elk Grove

CalSTRS contracts for the services of various independent consultants essential to the effective and professional operation of the system. Milliman and Robertson Inc. provides actuarial services and the independent auditor is PricewaterhouseCoopers, LLP. Lists of investment professionals for investment services and other consultants are provided on schedules four and five in the financial section of the report. A partial list of independent consultants is shown below.

- PricewaterhouseCoopers, LLP
- Milliman and Robertson Inc.
- Hogan and Hartson
- William M. Mercer Inc.



Shadiéh Mirmobiny, *Peruvian Dream*, Oil on canvas board, 16" x 20", 1987, Sierra College, Rocklin

On behalf of the Teachers' Retirement Board, I am pleased to present the California State Teachers' Retirement System 2000 Comprehensive Annual Financial Report.

This report will illuminate CalSTRS' continuing excellent investment returns, which have provided outstanding opportunities to improve the retirement benefits of California's educators.

While I am most happy about the ongoing progress in benefits and investment growth, I am also proud of the strides CalSTRS has made with the newest communication tool—the Internet. As a teacher, I understand the essential role this technology plays in our society. Our members must have ready access to their retirement system so they can make informed decisions regarding their future.

The CalSTRS Web site is an excellent method of communication. In fact, it was recently cited by an independent party* as outstanding in the areas of substance, functionality, logical format and user friendliness. CalSTRS participates in an annual benchmarking effort with 17 major retirement systems worldwide and it was through this process CalSTRS was ranked among the top five.

Since its debut in April 1996, the number of visits, or "hits," to the Web site has increased from fewer than 5,000 to approximately 38,000 this past year. New features for the Web site are constantly in development and added as soon as possible. Our aim is to make the Web site an innovative, interactive and dynamic means of communicating with CalSTRS members and interested parties.

Currently at the Web site, one can view and print more than 100 megabytes of data, a veritable wealth of information about CalSTRS, benefits and programs, legislation, publications and forms.

Recently, we implemented interactive features that allow CalSTRS to offer audio and video productions on the Web site and the ability to conduct secure transactions over the Web. This considerably expands our ability ultimately to provide around-the-clock access to CalSTRS and a member's own account information.

Right now members can contact CalSTRS regarding account information by completing an online e-mail



Teresa Taranto, *Zaprot, Batik*, 12" x 18", 2000, Rio Linda High School, Sacramento

form and forwarding it to CalSTRS electronically. This process insures the security of the member's confidential information. The member will get a response by telephone or e-mail in approximately three days.

Proposed Web site features include secure online transmittal of Cash Balance Benefit Program contribution balance, secure online viewing of Defined Benefit account statements and secure online access to the participant's Cash Balance account and benefit enhancements to come. In the not too distant future, we hope members will be able to complete the entire retirement process online, if this is their preference.

In addition, the financial education and retirement planning information online is planned to expand to include the ability to determine the assets necessary to continue your pre-retirement standard of living, the immediate actions to take for a secure retirement future and how to make informed decisions about CalSTRS benefit options.

As computer technology evolves, CalSTRS will continue to keep pace in our drive to provide world-class service to California's educators.

Respectfully submitted,

Emma Y. Zink
Teachers' Retirement Board, Chairperson

*Cost Effectiveness Measurement Inc.

Membership

Membership in the CalSTRS Defined Benefit Program includes California public school employees, kindergarten through community college, who teach, are involved in the selection and preparation of instructional materials, or are supervising persons engaged in those activities.

Membership is in effect as long as the contributions remain on deposit with the program.

Members are employed in approximately 1,160 public school districts, community college districts, county offices of education and state reporting entities in California. The CalSTRS Defined Benefit Program includes service retirement, benefits for survivors and disability benefits.

A beneficiary of a retired member who has elected a joint and survivor option receives a continuing lifetime allowance upon the retired member's death.

As of June 30, 2000, there were a total of 496,110 active and inactive members and 165,282 retired members, disability and survivor benefit recipients. The combined total of members and benefit recipients equals 661,392, an increase of 28,603 more than the previous fiscal year.

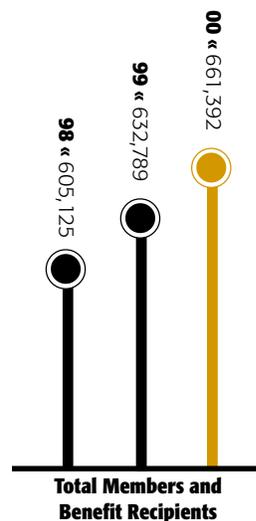
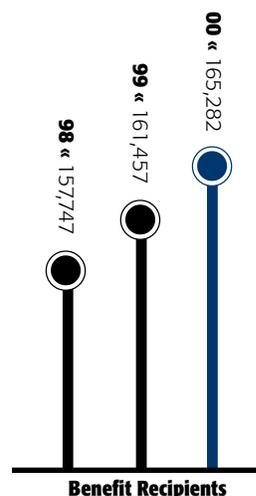
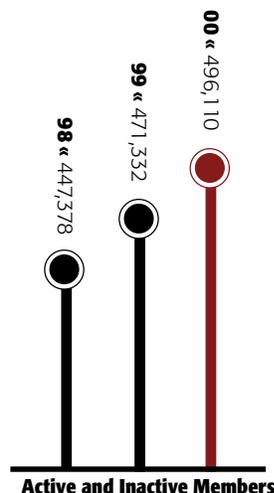
(The audit report of the independent auditors, presented in the financial section, contains Defined Benefit Program membership data as of June 30, 1999, due to the timing of that report.)

Benefits to Members and Benefit Recipients

SERVICE RETIREMENT

CalSTRS desires the retirement process to be positive, rewarding and comfortable for the members. CalSTRS believes fast, accurate and efficient benefit payments are fundamental to achieving this goal.

Of the 7,216 members who retired in 1999–00 fiscal year, 97 percent received his or her first benefit payment within the CalSTRS-established goal of issuing payment within 30 days following the person's retirement date (or after receipt of the completed application). CalSTRS' 30-day goal exceeds the 45-day standard mandated by law.





Gordon Goodban, *Wabiabi*, Acrylic, ink on paper, 24"x18", 1999, Elk Grove High School, Elk Grove

SURVIVOR BENEFITS

CalSTRS received 5,573 survivor benefits applications. Of the applications received, 99 percent were processed within the 45-day legislative standard and 94 percent were processed within 30 days.

DISABILITY

The Disability Services Section received 648 disability applications during 1999–00. This represents an increase of more than 20 percent from the previous year.

Even with the increase, staff processed 99 percent of all applications within six months from the date of receipt with more than 80 percent processed within a four-month time frame. The Initial Review team continues to process 100 percent of the initial disability payments within 10 working days from receipt of all necessary information.

The work of the Continuing Qualifications and Vocational Rehabilitation programs resulted in an annual savings of more than \$2.8 million to the system.

Services to Members and Beneficiaries

PUBLIC SERVICE

Public Service staff answered 206,344 calls and the CalSTRS automated attendant telephone system received 72,715. The automated interactive telephone system, Teletalk, received 33,609 calls. CalSTRS is proud of the fact that 97.4 percent of the telephone calls handled by staff were answered in the initial call, thus avoiding the need to call back the member. According to a comparative study of telephone service, this performance level rates as a “best in class” practice.

Ninety-three percent of all calls were answered within 3 minutes or less. On average, callers waited less than a minute.

In addition, the Public Service Office received 9,227 pieces of correspondence.

MEMBER COMMUNICATION

CalSTRS communicates with members and beneficiaries through the *Bulletin* and the *Retired Educator*. The *Bulletin* is mailed twice a year to active and inactive members. It contains information from CalSTRS Chief Executive Officer and the Teachers’ Retirement Board. Also presented are legislative summaries and discussions of educator issues.

The *Retired Educator* is mailed twice a year to retired members and benefit recipients. It contains issues and information of special interest to them.

A detailed program book and single-topic brochures are mailed upon request, given to members during personal interviews and are available to employers and employees by mail or telephone request. CalSTRS mails the *New Member Guide* to newly hired educators.

CALSTRS INTERNET WEB SITE

The CalSTRS Web Site is intended to provide information for members, employers and CalSTRS’ business partners. The CalSTRS Web Site includes many useful features, such as the Retirement Benefit Calculator, which allow members to estimate their retirement benefit; an online feedback form; and the Employer Page to provide county and school district personnel with pertinent information. A variety of

other topics, ranging from the monthly Teachers' Retirement Board agenda to various CalSTRS publications are updated throughout the year.

FINANCIAL EDUCATION PROGRAM

Thirty-three Financial Education Program workshops were presented around the state under this program. Information regarding CalSTRS benefits, financial planning and applicable Social Security provisions were presented to more than 1,000 members and their guests.

RETIREMENT PLANNING WORKSHOPS

Personal retirement benefit interviews were provided to 28,468 members. In addition, 455 workshops covering retirement, disability and survivor benefits were presented to 12,838 members. These interviews and workshops allow members a chance to have direct contact with staff who answer their questions.

Services to Employers, Member and Client Organizations

The Employer Advisory Committee is composed of county and district employer representatives and CalSTRS staff. The Client Advisory Committee includes CalSTRS staff and members of various organizations representing CalSTRS members and benefit recipients.

These committees meet regularly to provide a forum for active participation in the formation of CalSTRS policies and procedures in areas of information dissemination, benefit plan administration and service to members and beneficiaries.

Reaching consensus with the two committees on legislative proposals, as well as policy issues, is important to the Teachers' Retirement Board. Therefore, staff has also scheduled special meetings and has worked closely with both committees on plan design and other crucial member and employer issues.

Annually, CalSTRS staff conduct an Employer Institute, with one session presented in southern California and another in northern California. CalSTRS processes, laws and policies are discussed with employer staff, giving an opportunity for CalSTRS and employers to exchange information.

CalSTRS staff also conduct field visits to individual counties and school districts. The purpose of the visit is to provide specific information to the employer regarding CalSTRS' data reporting process. In addition to the reporting procedures, staff discuss the use of the Remote Employer Access Program that allows the employer direct access to the CalSTRS database for verification and review of the member's service and contribution records, thereby improving the accuracy and timeliness of the reporting process.



Teresa Taranto, *Haaribat*, Batik, collage, graphite, 10" x 14", 2000, Rio Linda High School, Sacramento

Personal benefit interviews and Financial Education Program workshops allow members a chance to have direct contact with staff who answer their questions.



FINANCIAL

“An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.”

—PriceWaterhouseCoopers LLP

Report of Independent Accountants

To the Teachers' Retirement Board
California State Teachers' Retirement System

In our opinion, based upon our audit and the report of other auditors, the accompanying combined statements of plan net assets and the related combined statements of changes in plan net assets present fairly, in all material respects, the plan net assets of the California State Teachers' Retirement System (System), a component unit of the State of California, as of June 30, 2000, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the System's management; our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the System's 403(b) Program. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on those financial statements is based solely on the report of the other auditors. We previously audited and reported on the financial statements of the System for the year ended June 30, 1999, the reporting entity totals of which are included for comparative purposes only. We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for the opinion expressed above.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information included in Schedules I and II is required under GASB Statement No. 25, *Financial Reporting For Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. The supplemental information included in Schedules III through VI is presented for purposes of additional analysis and is not a required part of the financial statements. Such information as of and for the years ended June 30, 2000, 1999, 1998, 1997, 1996 and 1995, has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion and based on the report of other auditors, is fairly stated, in all material respects, in relation to the financial statements taken as a whole from which it has been derived.



September 25, 2000

California State Teachers' Retirement System
Combined Statements of Plan Net Assets
As of June 30, 2000
With reporting entity totals as of June 30, 2000 and 1999
(Dollars in Thousands)

	State Teachers' Retirement Plan	403(b) Program	Reporting Entity Totals	
			2000	1999
Assets				
Investments, at fair value:				
Short-term	\$ 1,559,699	\$ 17,039	\$ 1,576,738	\$ 1,033,775
Debt securities:				
Domestic	27,236,000	691	27,236,691	25,109,914
International	22	36	58	11,639
Equities:				
Domestic	46,691,549	29,591	46,721,140	45,933,482
International	26,956,087	2,175	26,958,262	22,758,212
Alternative	5,105,654	-	5,105,654	2,581,794
Real estate	3,771,458	-	3,771,458	2,169,967
Securities lending collateral	16,107,099	-	16,107,099	15,516,345
Total investments	<u>127,427,568</u>	<u>49,532</u>	<u>127,477,100</u>	<u>115,115,128</u>
Cash	<u>3,234</u>	<u>-</u>	<u>3,234</u>	<u>1,932</u>
Receivables:				
Investments sold	1,941,810	204	1,942,014	521,274
Foreign currency exchange contracts	1,991,213	-	1,991,213	1,582,431
Interest and dividends	475,596	571	476,167	437,451
Member/employer and other	406,698	116	406,814	311,857
Total receivables	<u>4,815,317</u>	<u>891</u>	<u>4,816,208</u>	<u>2,853,013</u>
Other assets	<u>338</u>	<u>-</u>	<u>338</u>	<u>273</u>
Total assets	<u>\$ 132,246,457</u>	<u>\$ 50,423</u>	<u>\$ 132,296,880</u>	<u>\$ 117,970,346</u>
Liabilities				
Payable for investments purchased	\$ 1,116,018	\$ -	\$ 1,116,018	\$ 637,710
Payable for foreign currency exchange contracts	1,976,317	-	1,976,317	1,536,673
Benefits in process of payment	69,959	-	69,959	311,551
Other liabilities	195,376	42	195,418	147,141
Securities lending collateral	16,107,099	-	16,107,099	15,516,345
Total liabilities	<u>19,464,769</u>	<u>42</u>	<u>19,464,811</u>	<u>18,149,420</u>
Net assets held in trust for pension benefits (a schedule of funding progress is presented in Schedule I)	<u>\$ 112,781,688</u>	<u>\$ 50,381</u>	<u>\$ 112,832,069</u>	<u>\$ 99,820,926</u>

The accompanying notes are an integral part of these financial statements.

California State Teachers' Retirement System
Combined Statements of Changes in Plan Net Assets
For the year ended June 30, 2000
With reporting entity totals for the years ended June 30, 2000 and 1999
(Dollars in Thousands)

	State Teachers' Retirement Plan	403(b) Program	Reporting Entity Totals	
			2000	1999
Additions				
Contributions:				
Members	\$ 1,532,380	\$ 13,792	\$ 1,546,172	\$ 1,433,331
Employers	1,590,891	-	1,590,891	1,476,228
State of California	939,232	-	939,232	350,175
Total contributions	<u>4,062,503</u>	<u>13,792</u>	<u>4,076,295</u>	<u>3,259,734</u>
Investment income:				
Net appreciation in fair value of investments	9,836,172	384	9,836,556	8,907,827
Interest, dividends and other investment income	2,860,459	2,732	2,863,191	2,875,811
Securities lending income	956,356	-	956,356	902,503
Less investment expenses:				
Cost of lending securities	(901,151)	-	(901,151)	(839,430)
Other	(61,252)	-	(61,252)	(44,974)
Net investment income	<u>12,690,584</u>	<u>3,116</u>	<u>12,693,700</u>	<u>11,801,737</u>
Other income	<u>166</u>	<u>-</u>	<u>166</u>	<u>115</u>
Total additions	<u>16,753,253</u>	<u>16,908</u>	<u>16,770,161</u>	<u>15,061,586</u>
Deductions				
Retirement, death and survivor benefits	3,435,268	250	3,435,518	3,145,479
Refunds of member contributions	80,046	2,201	82,247	76,229
Purchasing power benefits	190,478	-	190,478	197,860
Administrative expenses	50,500	275	50,775	45,630
Interest expense	-	-	-	42
Total deductions	<u>3,756,292</u>	<u>2,726</u>	<u>3,759,018</u>	<u>3,465,240</u>
Net increase	12,996,961	14,182	13,011,143	11,596,346
Net assets held in trust for pension benefits:				
Beginning of year	<u>99,784,727</u>	<u>36,199</u>	<u>99,820,926</u>	<u>88,224,580</u>
End of year	<u>\$ 112,781,688</u>	<u>\$ 50,381</u>	<u>\$ 112,832,069</u>	<u>\$ 99,820,926</u>

The accompanying notes are an integral part of these financial statements.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

1. Description of the System and Contribution Information

The California State Teachers' Retirement System (System) is the administrator of cost-sharing multiple-employer pension plans and a tax-deferred supplemental program, as described below, established and administered by those sections of the State Education Code known as the Teachers' Retirement Law (Section 22000 et. seq.), as amended and enacted by the State of California (State) Legislature. The System is a component unit of the State of California. These financial statements include only the accounts of the System. The System's financial statements are included as a trust fund in the financial statements of the State of California. The System provides pension benefits to California full-time and part-time public school teachers from preschool through grade fourteen and certain other employees of the public school system.

State Teachers' Retirement Plan (STRP)

Effective January 1, 1999, Senate Bill (SB) 2085 authorized the merger of the System's Cash Balance Plan (CB Plan) and the Defined Benefit Plan (DB Plan) to establish the State Teachers' Retirement Plan (STRP). SB 2085 provides, among other things, that both the Defined Benefit Program (DB Program) and the Cash Balance Benefit Program (CB Benefit Program) shall be administered under the Teachers' Retirement Law and be known and cited as the STRP.

Defined Benefit Program (DB Program)

The DB Program, is a defined benefit pension plan which operates under the Internal Revenue Code (IRC). At June 30, 2000, there were approximately 1,160 contributing employers (school districts, community college districts, county offices of education and regional occupational programs). The State is a non-employer contributor to the STRP. Membership is mandatory for all employees meeting the eligibility requirements. At June 30, 1999, membership consisted of:

Active members:	
Vested	234,727
Nonvested	167,493
Inactive members	69,112
Retirees and benefit recipients	<u>161,457</u>
Total members, retirees and beneficiaries	<u>632,789</u>

Information as of June 30, 2000, will not be available until November 2000.

The DB Program provides defined retirement benefits based on members' final compensation, age, and years of credited service. In addition, the retirement program provides benefits to members upon disability, and to survivors upon the death of eligible members. Benefit provisions include:

- After five years of credited California service, members become 100% vested in retirement benefits earned to date. Members are eligible for normal retirement at age 60. The normal retirement benefit is equal to 2% of final compensation for each year of credited service. Retirements after age 60 are subject to a factor which increases with each quarter year of age to 2.4% at age 63 or older. Members who have 30 years or more of credited service shall receive an additional 0.2% of final compensation. In no event shall the total benefit factor exceed 2.4%.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

Final compensation is defined as the highest average annual compensation earnable during either any three consecutive years of credited service, or for classroom teachers, twelve consecutive months if the employer elects to pay the additional cost. Early retirement options are available at age 55 or as early as age 50 with 30 years of credited service.

- After five years of credited California service, a member (prior to age 60 if under Coverage A, no age limit if under Coverage B, as defined in Education Code Sections 24001 and 24101, respectively) is eligible for disability benefits of up to 50% of final compensation plus 10% of final compensation for each eligible child, up to a maximum addition of 40%. The member must have a disability that will exceed a period of twelve or more months to qualify for a benefit.
- A family benefit is available if an active member died and had at least one year of credited service.
- Members' accumulated contributions are refundable with interest upon separation from the System. The 1999-2000 fiscal year rate of interest credited to members' accounts is 5%.

Purchasing power protection is provided to those benefit recipients whose purchasing power has been reduced below certain levels. The purchasing power protection is funded by a combination of School Lands Revenue and Supplemental Benefit Maintenance Account (SBMA) contributions. School Lands Revenue is appropriated pursuant to Public Resources Code Section 6217.5 from the use of school lands. The Cecil Green/William Campbell/Dave Elder Act of 1989 (Education Code Section 22954) established the SBMA to provide annual distributions (in quarterly payments) to retired and disabled members, and beneficiaries in order to restore purchasing power to a minimum of 68.2% of the initial monthly allowance. The Mrs. Ruth Q. dePrida Pension Protection Act, SB 1026, Chapter 939, Statutes of 1997 increased the minimum purchasing power to 75%, effective January 1, 1998. The State's contributions for the year ended June 30, 2000, were sufficient to meet the purchasing power obligations.

Required Contributions

Required member and employer contribution rates are set by the Teachers' Retirement Law. Required contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method. The System also uses the level percentage of payroll method to calculate the amortization of any unfunded liability.

A summary of statutory rates and other sources of contributions to the System is as follows:

Members	-	8% of applicable member earnings
Employers	-	8.25% of applicable member earnings

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

State of California - The enactment of SB 1370 (Ed. Code Section 22955), known as the "Elder Full Funding Act," provides for eventual full funding for the System. The provisions of the bill which became effective July 1, 1990, replaced the prior State contribution with a new funding mechanism beginning July 1, 1991. The State's annual contribution to the System was 4.3% of the previous calendar year's member payroll. Subsequent to achieving a fully funded System, the State will contribute only the amount necessary to help fund the normal cost of the then current benefit program unless a subsequent unfunded obligation occurred.

The enactment of Chapter 967, Statutes of 1998 (AB 2804) provided for funding from the State General Fund (General Fund) to maintain the fully funded status of benefits in place as of July 1, 1990, and provided funding for benefit enhancements enacted effective January 1, 1999. The provisions of Chapter 967 amended the State's contribution requirements under the Elder Full Funding Act.

Beginning July 1, 1999, under Education Code Section 22955, the General Fund shall transfer annually to the DB Program an amount equal to 3.102% of total creditable earnings of the immediately preceding calendar year to fund certain benefit enhancements effective January 1, 1999. However, the actuaries for the DB Program determined that the contribution rate needed to fund the January 1, 1999, benefit enhancements is approximately 4.256%. The difference is being funded by the current actuarial surplus and an additional contribution of 0.25% of applicable member earnings from employers. Management believes that the assets available on an actuarial basis and the additional employer contributions will be sufficient to fund the increased actuarial accrued liability.

Beginning October 1, 1998, a statutory contribution rate of 0.524%, adjustable annually in 0.25% increments up to a maximum of 1.505%, of the creditable earnings of the immediately preceding calendar year was established under Education Code Section 22955. This contribution is reduced to zero if there is no unfunded obligation or normal cost deficit. As of the June 30, 1999, actuarial valuation, there was no unfunded obligation or normal cost deficit for benefits in place as of July 1, 1990.

In their most recent actuarial valuation as of June 30, 1999, the System's independent actuaries determined that, at June 30, 1999, the actuarial value of the DB Program's assets exceeded the program's actuarial accrued liability by \$3.7 billion. Based on this valuation, the current statutory contributions are equivalent to 19.260% of covered payroll and the normal cost is 15.664% of covered payroll. Certain risks related to the global financial markets may affect the fair value of the System's investment portfolio. The System's management is continually evaluating the impact of market fluctuations on the funded status of the DB Program. Such estimates could change in the near future.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

Cash Balance Benefit Program (CB Benefit Program)

The CB Benefit Program, established under Part 14 of the California Education Code (Section 26000 et seq.) and subsequently amended by Assembly Bill (AB) 2673, is a separate defined benefit plan. The CB Benefit Program operates under the IRC within the STRP and is designed for employees of California's public schools who are hired to perform creditable service for less than 50% of the full-time equivalent for the position.

Participation in the CB Benefit Program is optional to school districts, community college districts, county offices of education and regional occupational programs. If a school district, community college district, county office of education, or regional occupational program elects to offer the CB Benefit Program, each eligible employee will automatically be covered by the program, unless the member elects to participate in the DB Program or an alternative plan provided by the employer within 60 days of hire or the election period determined by the employer.

A summary of statutory contribution rates for the CB Benefit Program is as follows:

Members	-	4% of applicable member earnings
Employers	-	4% of applicable member earnings

Employers may enter into a collective bargaining agreement to pay different rates if certain minimum conditions are met. At June 30, 2000, there were twenty contributing school districts and approximately 9,500 contributing members.

At June 30, 1999, the actuarial value of the CB Benefit Program's assets exceeded the program's actuarial accrued liability by approximately \$223,000.

STRS 403(b) Program (403(b) Program)

The 403(b) Program was authorized pursuant to Chapter 291, State Statutes of 1994 and meets the requirements of IRC Section 403(b). The 403(b) Program plan is a defined contribution plan and is open to any employee who is eligible to participate. Contributions to the program are voluntary and are not subject to a minimum limitation, however, the IRC establishes a maximum amount that can be contributed annually. At June 30, 2000, there were approximately 2,300 plan members and approximately 250 participating employers (school districts).

An agreement was entered into between the System and State Street Bank and Trust Company (SSB) on January 1, 1995, to appoint SSB as third-party administrator, record keeper and master custodian for the 403(b) Program assets. The appointment will expire on July 1, 2001. The investments are comprised of the money market, S&P 500, international index, self-managed and participant notes funds.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

2. Summary of Significant Accounting Policies

Basis of Accounting

The accounting records of the System are maintained on the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Employer and State contributions are recognized when due and the employer or State has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with System's retirement program.

Use of Estimates in the Preparation of Financial Statements

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and when applicable, disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Investments

The majority of the securities held in the investment portfolio at June 30, 2000, are in the custody of or controlled by SSB, the System's master custodian. State statutes and Board policies allow investments consisting of government, corporate and international bonds, domestic and international equities, mutual funds, limited partnership holdings, real estate, mortgages and other investments.

All investments are reported at fair value. The fair values of investments are generally based on published market prices and quotations from major investment firms. In the case of debt securities acquired through private placements, fair value is computed by management based on market yields and average maturity dates of comparable quoted securities. Mortgages are valued based on future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Real estate equity investment fair values are based on either recent estimates provided by the System's contract real estate advisors or independent appraisers. Short-term investments are reported at cost or amortized cost, which approximates fair value. Alternative Investments represent investments in private equity partnerships in which the System enters under a limited partnership agreement. For alternative investments and other investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments.

The System presents, in the combined statements of changes in plan net assets, the net appreciation in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Purchases and sales of debt securities, equity securities and short-term investments are recorded on the trade date. Real estate equity transactions are recorded on the settlement date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

There are certain market risks, credit risks, foreign currency exchange risks, or event risks which may subject the System to economic changes occurring in certain industries, sectors or geographies.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

Foreign Currency Exchange Contracts

The STRP enters into forward foreign currency exchange contracts for hedging purposes to minimize the short-term impact of foreign currency fluctuations on the asset positions of foreign investments. These foreign currency exchange contracts are reported at fair value based on published market prices and quotations from major investment firms. The STRP could be exposed to risk if the counter-parties to the contracts are unable to meet the terms of their contracts. The STRP seeks to minimize risk from counter-parties by establishing minimum credit quality standards and maximum credit limits.

Administrative Expenses

The 403(b) Program reimburses the STRP for administrative services provided on its behalf.

Income Taxes

The STRP is organized as a tax-exempt retirement plan under the IRC. The 403(b) Program is organized as a tax-deferred supplemental program under the IRC. The System's management believes that it has operated within the constraints imposed by federal tax law.

Investment Expenses

Expenses directly associated with investment management have been included as other investment expenses. Indirect expenses have not been allocated.

Securities Lending Transactions

The System reports securities lent, the cash collateral held as assets and the related liabilities resulting from securities lending transactions on the combined statements of plan net assets. The System also reports the costs of lending securities as investment expenses on the combined statements of changes in plan net assets.

New Accounting Pronouncements

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. GASB 34 provides a financial reporting model for governmental entities that addresses four basic reporting elements: management's discussion and analysis, government-wide and fund financial statements, notes to the financial statements, and required supplementary information. The System is required to implement GASB 34 for the year ending June 30, 2002.

3. Investments

The System's investments are categorized below to give an indication of the category risk level assumed by the System at June 30, 2000, as defined by GASB Statement No. 3. Category 1, the lowest risk, includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party's trust department or agent in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party or by its trust department or agent but not in the System's name. Investment pools managed by other governments, investments held by broker-dealers under securities loans, alternative investments and real estate equity investments are not categorized.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

The following table presents investments held by the STRP, by type, at June 30, 2000 (in thousands):

Investment Type	Category 1	Category 2	Category 3	Category Rating Not Required	Fair Value
Categorized:					
Short-term investments	\$ 1,324,863	\$ -	\$ -	\$ 234,836	\$ 1,559,699
Debt securities	19,655,689	-	-	-	19,655,689
Equity securities	64,650,523	-	-	-	64,650,523
Securities lending collateral	16,107,099	-	-	-	16,107,099
Not categorized:					
Alternative investments	-	-	-	5,105,654	5,105,654
Real estate equity investments	-	-	-	3,771,458	3,771,458
Investments held by broker-dealers under securities loans:					
Debt securities	-	-	-	7,580,333	7,580,333
Equity securities	-	-	-	8,997,113	8,997,113
Total investments	<u>\$101,738,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$25,689,394</u>	<u>\$127,427,568</u>

Short-term investments of the STRP as of June 30, 2000, are comprised of the following (in thousands):

Surplus Money Investment Fund (State of California)	\$ 234,836
Commercial paper	666,989
Short-term agencies	415,842
Repurchase agreements	896
Bankers acceptance	25,000
Certificates of deposit	160,944
Treasury bills	3,388
Foreign currency	51,804
	<u>\$1,559,699</u>

The STRP's investment in the Surplus Money Investment Fund (SMIF), administered by the State, represents various investments with average days to maturity of approximately 200 days, and is reported at amortized cost which approximates market value.

The STRP's repurchase agreement transactions at June 30, 2000, have underlying collateral with market values of approximately 102% of the cost of the repurchase agreement. The agreed-upon yield is 5.25% with maturity dates through July 3, 2000.

Foreign currency is comprised of international investment proceeds and income to be repatriated into U.S. dollars and funds available to purchase international securities. Foreign currency is not held as a form of investment.

California State Teachers' Retirement System

Notes to General Purpose Financial Statements

State statutes and Teachers' Retirement Board policies permit the STRP to lend its securities to broker-dealers and other entities for which collateral is received with a simultaneous agreement to return the collateral for the same securities in the future. STRP has contracted with third party securities lending agents to lend domestic and international equity and debt securities. All securities loans can be terminated on demand by either STRP or the borrower. Collateral in the form of cash or other securities is required for 102% and 105% of the fair value of domestic and international securities, respectively, loaned. As of June 30, 2000, the System has no credit risk exposure to borrowers because the amounts the STRP owes the borrowers exceed the amounts the borrowers owe the System. Cash collateral is invested in short-term investments, which at year-end have a weighted-average maturity of less than 90 days, and the assets held as collateral are presented in the above table of investments held. STRP is not permitted to pledge or sell collateral securities received unless the borrower defaults. The contracts with the security lending agents require them to indemnify STRP if the borrowers fail to return the securities (or if the collateral is not sufficient to replace the securities lent) or if the borrower fails to pay STRP for income distributions by the securities' issuers while the securities are on loan.

403(b) Program

Investments held by the 403(b) Program are in mutual funds and are not required to be categorized by risk levels under GASB Statement No. 3.

4. Contingencies

The STRP is involved in litigation relating to various matters. In the opinion of management, after consultation with legal counsel, the outcome of these litigations is not expected to have a material adverse effect on the STRP's financial position.

5. Commitments

In conjunction with the purchase of various partnership interests, the STRP has remaining funding commitments of approximately \$3.9 billion at June 30, 2000.

The STRP has entered into agreements to guarantee payment of principal and interest in the event that the primary obligator defaults. The STRP is paid a fee over the term of such agreements, and in the event of default, the STRP could draw on the standby letter-of-credit for repayment. At June 30, 2000, the STRP has commitments of approximately \$1.1 billion expiring through May 18, 2006. Fee income earned by the STRP was approximately \$2.8 million for the year ended June 30, 2000.

Supplemental Information

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Funding Progress
June 30, 2000

Schedule I

Actuarial Valuation Date as of June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c)
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Defined Benefit Program ⁽³⁾ (dollars in millions):

2000	(1)	(1)	(1)	(1)	(1)	(1)
1999	\$ 90,001	\$ 86,349	\$ (3,652)	104 %	\$ 17,185	(21) %
1998	77,290	74,234	(3,056)	104 %	15,741	(19) %
1997	67,980	69,852	1,872	97 %	14,521	13 %
1996	(2)	(2)	(2)	(2)	(2)	(2)
1995	55,207	63,391	8,184	87 %	12,688	65 %

Cash Balance Benefit Program ⁽³⁾ (dollars in thousands):

2000	(1)	(1)	(1)	(1)	(1)	(1)
1999	\$ 5,224	\$ 5,001	\$ (223)	104 %	\$ 50,426	0 %
1998	790	1,728	938	46 %	18,838	5 %
1997	(393)	164	557	(240) %	4,504	12 %

(1) The 2000 actuarial reports will be available during the year ended June 30, 2001.

(2) Prior to June 30, 1998, no actuarial reports were prepared in even numbered years. No estimation using actuarial methodology was made in years between valuations.

(3) Effective January 1, 1999, the Defined Benefit Plan (DB Plan) and the Cash Balance Plan (CB Plan) merged to establish the State Teachers' Retirement Plan which includes the Defined Benefit Program (DB Program) and the Cash Balance Benefit Program (CB Benefit Program). All actuarial data prior to year ended June 30, 1999, relates to the DB Plan and CB Plan.

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Contributions from Employers and Other Contributing Entities
For the Year Ended June 30, 2000 **Schedule II**

Year Ended June 30	Annual Required Contribution (a)	Contributed By Employers⁽¹⁾ (b)	Contributed By the State⁽²⁾ (c)	Total Contributed (b + c)	Percentage Contributed (b + c)/a
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Defined Benefit Program⁽³⁾ (dollars in millions):

2000	\$ 1,150	\$ 1,584	\$ 519	\$ 2,103	183%
1999	1,473	1,492	209	1,701	115%
1998	1,911	1,419	587	2,006	105%
1997	1,835	1,299	555	1,849	101%
1996	1,726	1,196	530	1,726	100%
1995	1,589	1,111	519	1,630	103%

Cash Balance Benefit Program⁽³⁾ (dollars in thousands):

2000	\$ 2,365	\$ 2,365	\$ -	\$ 2,365	100%
1999	1,561	1,561	-	1,561	100%
1998	772	772	-	772	100%
1997	74	74	-	74	100%

- (1) For DB Program, years ended June 30, 1998 and earlier, amounts include employer contributions under Education Code Sections 22950 to 22953. For the years ended June 30, 1999 and thereafter, amounts include employer contributions under Education Code Sections 22950 and 22951. For the year ended June 30, 2000, amount includes employer contributions under Education Code Sections 22135, 22714 (less amounts deposited in the SBMA) and 22718.
- (2) For DB Program, includes state contributions under Education Code Section 22955.
- (3) Effective January 1, 1999, the DB Plan and the CB Plan merged to establish the STRP which includes the DB Program and the CB Benefit Program. All actuarial data prior to year ended June 30, 1999, relates to the DB Plan and CB Plan.

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Contributions from Employers and Other Contributing Entities
For the Year Ended June 30, 2000 **Schedule II (Continued)**

The information presented in the Supplemental Schedules I and II was determined as part of the actuarial valuations at June 30, 1999. Additional information is as follows:

	DB Program	CB Benefit Program
Actuarial Cost Method	Entry age normal	Traditional Unit Credit
Amortization Method	Level percent of payroll	Not applicable
Amortization Period	Open	Not applicable
Remaining Amortization Period	Not applicable	Not applicable
Asset Valuation Method	Expected value with 33% adjustment to market value	Fair market value of net assets
Actuarial Assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	4.25%	4.25%
Consumer price inflation	3.50%	3.50%
Post-retirement benefit increases	2.00% simple	Not applicable

The above assumptions for the DB Program were changed from those used for the previous actuarial valuation (June 30, 1998) as follows:

- Asset valuation method adjustment to market value increased from 25% to 33%
- Projected salary increases reduced from 5.5% to 4.25%
- Consumer price inflation reduced from 4.5% to 3.5%

The effect of these changes in the assumptions underlying the June 30, 1999 valuation decreased the unfunded actuarial accrued liability of the DB Program by approximately \$5.816 billion, resulting in an actuarial surplus of approximately \$3.652 billion as of June 30, 1999.

The above assumptions for the CB Benefit Program were changed from those used for the previous actuarial valuation (June 30, 1998) as follows:

- Investment rate of return increased from 6.5% to 8%
- Projected salary increases reduced from 5.5% to 4.25%
- Consumer price inflation reduced from 4.5% to 3.5%

The changes in assumptions underlying the June 30, 1999 valuation had no significant effect on the actuarial surplus of the CB Benefit Program.

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Administrative Expenses
For the Year Ended June 30, 2000
(Dollars in Thousands)

Schedule III

Personal services:	
Salaries and wages	\$ 22,404
Staff benefits	4,273
Accrued vacations	648
Total personal services	<u>27,325</u>
Operating expenses and equipment:	
General expense	468
Depreciation expense	64
Printing	790
Communications	645
Postage	684
Insurance	10
Travel	229
Training	177
Facilities operations	3,022
Consultants and professional services	4,480
Consolidated data center:	
Consultants and professional services	3,708
Data processing:	
Consultant and professional services	7,161
Software and other	269
Central administrative services	1,630
Equipment	157
Other	117
Total operating expenses and equipment	<u>23,611</u>
Total current year expenses that are budgeted	50,936
Past prior year expenses, net	<u>(436)</u>
Total	<u>\$ 50,500</u>
Fund sources:	
SBMA/administration expense	\$ 63
Reimbursements	577
Revenue	25
Refunds to reverted appropriation	1
Budget Act, Chapter 282, Statutes 1997	(19)
Reappropriated Chapter 282, by Chapter 324/98	285
Budget Act, Chapter 324, Statutes 1998	(154)
Reappropriated Chapter 324, by Chapter 50/99	600
Budget Act, Chapter 50, Statutes 1999	48,513
Legislation, Chapter 740, Statutes 1999	171
Legislation, Chapter 632, Statutes 1999	438
Total fund sources	<u>\$ 50,500</u>

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Investment Expenses from Continuous Appropriation
For the Year Ended June 30, 2000
(Dollars in Thousands)

Schedule IV

External equity managers:

Domestic:

Ariel Capital Management	\$	1,055
Barclays Global Investors		742
Brison Partners		337
Brown Capital Management Inc.		350
Chicago Equity Partners		607
Delaware Investment Advisors		458
Delphi Management, Inc.		666
Denver Investment Advisor Inc.		2,404
DSI International Management		252
First Quadrant		440
Mellon Capital Management		311
NCM Capital Management Group Inc.		366
Putnam Investments		327
Sasco Capital, Inc		506
State Street Bank Global Advisors		253
TCW Asset Management		1,187
Total domestic		<u>10,261</u>

International:

Bank of Ireland		2,459
Baring International Investments Ltd.		338
Barclays Global Investors		1,981
Battery March		508
Blackrock International Ltd.		580
Brinson Partners		1,179
Capital Guardian Trust		5,063
Deleware International Trust		257
Fidelity Management Trust Co.		115
Fiduciary Trust International		1,987
Invesco		235
Lazard Freres Asset Management		2,640
Marvin & Palmer Associates Inc.		1,628
Morgan Stanley		1,622
Newport Pacific Management		862
Nicholas Applegate		1,203
Oechsle International Advisors		3,337
Schroder Capital Management Investment, Ltd.		2,183
Scudder Kemper		2,321
State Street Global Advisors		1,173
Total international		<u>31,671</u>
Total external equity managers		<u>41,932</u>

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Investment Expenses from Continuous Appropriation
For the Year Ended June 30, 2000
(Dollars in Thousands)

Schedule IV (Continued)

Real estate managers/advisors:	
CB Richard Ellis	3,339
Clarion Partners	155
Lend Lease	3,543
MIG Realty Advisors, Inc.	3,024
SSR Realty Advisors	2,759
Sentinel Realty Advisors	24
Total real estate managers/advisors	12,844
Advisors and consultants:	
Callan Associates	59
KPMG LLP	120
The McMahan Group	187
William M Mercer Invest. Consulting, Inc.	40
Pathway Capital Management, LLC	1,163
Pension Consulting Alliance	606
Total advisors and consultants	2,175
Attorneys, master custodian and insurers:	
Blank, Rome, Comiskey and McCauley	3
Cox, Castle & Nicholson	5
Groom Law Group	23
Near North Insurance Brokerage	220
State Street Bank & Trust Co.	3,646
Total attorneys, master custodian and insurers	3,897
Other Expenses:	
State Controller's Office	15
State Personnel Board	9
Miscellaneous	234
Travel	146
Total other expenses	404
Total continuous appropriations	\$ 61,252

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Consultant and Professional Services Expenses
For the Year Ended June 30, 2000
(Dollars in Thousands)

Schedule V

Individual or Firm	Commission/ Fee	Nature of Service
Consulting and professional services:		
Alameda County Office of Education	\$ 70	Regional Counseling Services
Annette Knous Wimmer	45	Consulting Services
Azusa Pacific University	10	Medical Reimbursement
Bay Brook Medical Group, Inc.	36	Vocational Assesments and Reports
California Department of General Services	18	Hearing Office Charges
Campbell Union High School District	105	Regional Counseling Services
Contra Costa County Office of Education	69	Regional Counseling Services
Cooperative Personnel Services	57	Consulting Services
Department of Justice	391	General Services Legal Fees
Department of Personnel Administration	13	Legal Services
Dr. Lindle Hatton	11	Consulting Services
Fresno County Office of Education	62	Regional Counseling Services
HG Consulting Group, Inc.	34	Consulting Services
Hogan & Hartson	160	Advocate and Legal Representation
Kathleen M. Ogburn	14	Vocational Assesments and Reports
Kern County Supt. of Schools	56	Regional Counseling Services
Law Office of Carroll & Scully	18	Legal Services
Liebman & Associates	59	Vocational Assesments and Reports
Linville Associates	11	Vocational Assesments and Reports
Los Angeles County Office of Education	241	Regional Counseling Services
Los Angeles County Supt. of Schools	350	Regional Counseling Services
Macias, Gini & Company LLP	36	Consulting Services
Merced County Office of Education	17	Regional Counseling Services
Milliman & Robertson, Inc.	189	Actuarial Services
MSLA, A Medical Corporation	43	Vocational Assesments and Reports
Orange County Department of Education	119	Regional Counseling Services
PricewaterhouseCoopers LLP	65	Audit and Consulting Services
San Bernardino County	163	Regional Counseling Services
San Diego County Office of Education	133	Regional Counseling Services
San Joaquin County Office of Education	59	Regional Counseling Services
San Juan Unified School District	129	Regional Counseling Services
San Mateo-Foster City School District	68	Regional Counseling Services
Santa Barbara County Office of Education	54	Regional Counseling Services
Santa Cruz County Office of Education	45	Regional Counseling Services
Shasta County Office of Education	74	Regional Counseling Services
Sonoma County Supt. of Schools	49	Regional Counseling Services
State Controller's Office	799	Various Financial Services
Superior Rehabilitation Services	36	Vocational Assesments and Reports
Szeroy Mccall	15	Consulting Services
Travel/Tuition	63	Medical Reimbursement
Tulare County Supt. of Schools	25	Regional Counseling Services

California State Teachers' Retirement System
State Teachers' Retirement Plan
Schedule of Consultant and Professional Services Expenses
For the Year Ended June 30, 2000
(Dollars in Thousands)

Schedule V (Continued)

Ventura County Supt. of Schools	\$ 41	Regional Counseling Services
William M. Mercer, Inc.	224	Consulting Services
Other	204	Various Services under \$10
	<u>4,480</u>	
Data processing:		
Compucom Systems, Inc.	44	Data Processing
Computer Resources Group, Inc.	70	Data Processing
Information Technology	155	Data Processing
Nanran, Inc.	670	Data Processing
Net Incomm Inc.	273	Data Processing
New Boston Technical Services	137	Data Processing
Pilot Computer Services, Inc.	268	Data Processing
Science Applications	104	Data Processing
Software AG of N.A., Inc.	355	Data Processing
SPL Worldgroup Consulting	3,314	Data Processing
Synergy Consulting, Inc.	321	Data Processing
Visionary Integration	1,373	Data Processing
Visual Communications	42	Data Processing
Other	35	Data Processing
	<u>7,161</u>	
Consolidated Data Center:		
Stephen P. Teale Data Center	3,693	Data Processing
California Health & Human Services	15	Data Processing
	<u>3,708</u>	
Total consultant and professional services expenses	<u>\$ 15,349</u>	

California State Teachers' Retirement System
403(b) Program
Schedule of Administrative Expenses
For the Year Ended June 30, 2000
(Dollars in Thousands)

Schedule VI

State Street Bank administrative fees	\$	255
State Teachers' Retirement Plan sponsor fee		<u>20</u>
Total	\$	<u>275</u>



INVESTMENTS

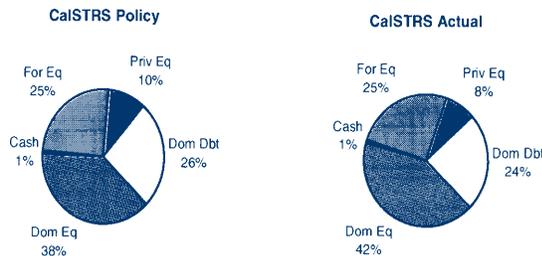
CalSTRS continues to follow its established long-term strategies. The results achieved this year and last year reaffirm the asset allocation decisions made by the Teachers' Retirement Board in 1997.



The CalSTRS investment portfolio grew by \$12.7 billion over the past year reaching a value of \$112.6 billion on June 30, 2000.¹ As highlighted below, the CalSTRS portfolio is broadly diversified, holding investments ranging from publicly-traded bonds to privately-held partnerships. Clearly, the scale and breadth of investments make the management and oversight of these assets highly complex. In light of these factors, CalSTRS has been effective in using its resources in a cost-efficient manner to ensure that benefits continue to flow to CalSTRS participants.

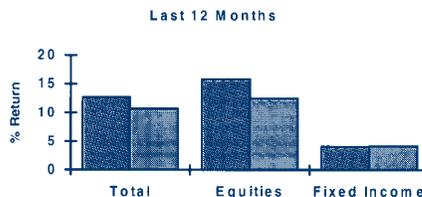
Investment Allocation

The most critical factor influencing overall investment performance is the allocation of the CalSTRS portfolio across major asset classes. The second quarter report reflects asset allocation guidelines adopted by CalSTRS on July 1, 1997 (see left pie chart). The portfolio's actual allocation is modestly different from policy. Private equity and domestic debt are underweighted while domestic equity is overweighted (see right pie chart).

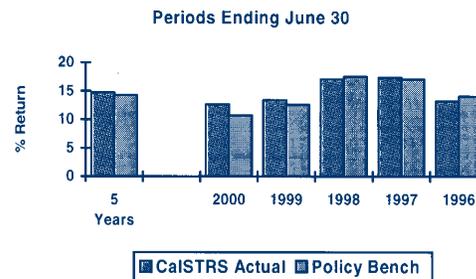


Investment Results

Over the last year, the CalSTRS investment portfolio produced an overall return of 12.7% ranking above-median among its large public pension fund peers². The portfolio outperformed policy by approximately 2.0% largely due to strong relative performance within all asset classes, except domestic debt, where performance met expectations (top bar chart).³



During the last three years, CalSTRS' portfolio generated a 14.3% (second quartile) return versus 13.5% for the policy benchmark. Over the last five years, the CalSTRS investment portfolio produced an average annual return of 14.7%, exceeding its policy benchmark by 40 basis points (bottom chart). Successive one-year periods are shown as well. For periods ending June 30, CalSTRS' portfolio has outperformed its policy benchmark in three of the latest five one-year periods.



Recent performance has significantly improved CalSTRS' rankings among its peers over the three- and five-year periods.⁴

Pension Consulting Alliance, Inc.

¹ Per State Street Bank custodial accounting records as of 6/30/00.
² Per TUCS Universe for Public Funds with assets in excess of \$1 billion.
³ The policy benchmark consists of passively managed asset class portfolios weighted by CalSTRS' policy allocations. The difference between actual results and the benchmark are due to two factors: i) deviations from policy and ii) active decisions on the part of CalSTRS and its investment managers.
⁴ CalSTRS' investment performance is calculated using a monthly internal rate of return and day-weighted cash flows. Periods longer than one month are geometrically linked. This method of return calculation complies with AIMR performance presentation standards.

The market value of the CalSTRS investment portfolio reached \$112.6 billion on June 30, 2000. The \$112.6 billion represented a gain of \$12.7 billion over the same period last year. This dollar gain represented a return of nearly 13 percent, outperforming its benchmark by more than 200 basis points, adding more than \$2 billion to the fund. Several asset classes exceeded their benchmarks, with exemplary performance shown by the Domestic and Private Equity segment. These strong results allowed CalSTRS' portfolio to finish in the 25th percentile in its peer group of large public funds. This marks the second consecutive period in which CalSTRS finished in the top quartile of Public Funds with assets in excess of \$1 billion.

Last year, these pages remarked on how fully CalSTRS had participated in the market. This may be a good time to remind all that participation cuts both ways; at some point, the stellar gains that have been enjoyed in both the public equity and the private equity markets will revert to more traditional numbers. At the end of the last fiscal year, CalSTRS' portfolio allocation across asset classes was as follows: Equity—Domestic and International 67 percent; Fixed Income—Domestic 24.3 percent, Private Equity 7.9 percent. A small percentage was in cash, 0.8 percent.

CalSTRS continues to follow its established long-term strategies. The results achieved this year and last year reaffirm the asset allocation decisions made by the Teachers' Retirement Board in 1997.

Chart A, below illustrates the growth in the total investment portfolio, excluding securities lending collateral, from June 30, 1985 through June 30, 2000. Chart B shows CalSTRS' returns against the actuarial rate, which is the long-term assumed rate of return for

the fund. Chart C shows the performance returns for all the asset classes in the portfolio and the benchmark indices. The return calculations are consistent with Association for Investment Management and Research performance presentation standards. These returns are shown over 1-, 3-, 5-, and 10-year periods.

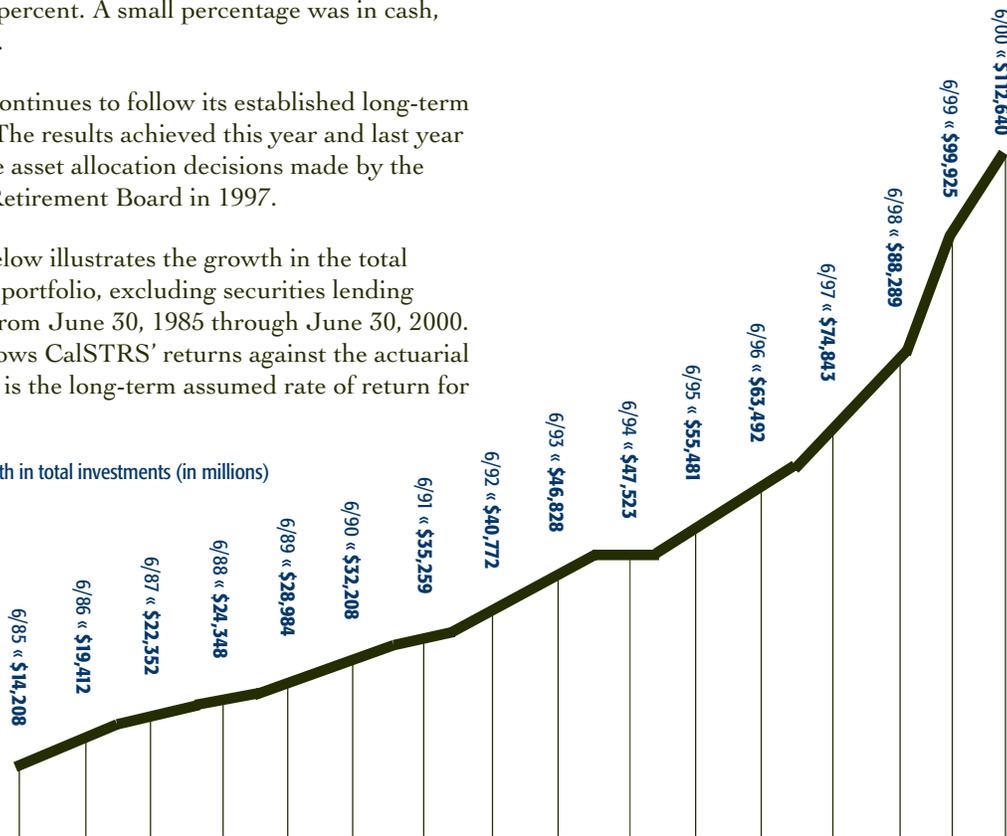
Objectives

The objectives of the Investment Management Plan are the same as they were this time last year. This is the way it should be, since this is a perpetual, defined benefit plan. CalSTRS continued to be rewarded for the 1997 decision to increase the fund's exposure to active equity management; 11 of the 16 active equity managers outperformed their respective benchmarks. It is also noteworthy that even the larger, passive component exceeded the benchmark by 20 basis points. CalSTRS will continue to seek a close alignment between policy and actual allocations.

Fixed Income

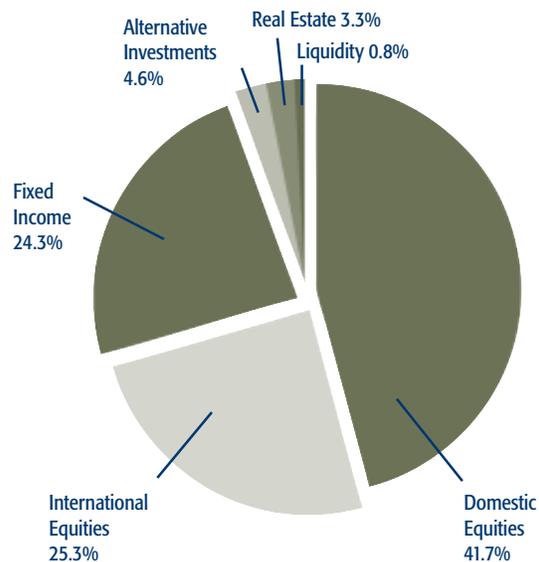
The Fixed Income unit is responsible for the management of CalSTRS' fixed income assets, totaling approximately \$27 billion in market value. As

Chart A Growth in total investments (in millions)



of June 30, 2000, the Treasury/Agency portfolios represented a majority of the assets, with \$10.7 billion. The High-Grade Corporate bond portfolio with \$7.9 billion, and the Mortgage-Backed Securities portfolio with \$8.3 billion in assets, respectively, completed the balance of the fixed income portfolio. For the fiscal year ending June 30, 2000, the long-term fixed income portfolios trailed the performance benchmark return by 10 basis points.

The Fixed Income unit also manages a short-term portfolio, known as the Liquidity Portfolio, which is utilized for cash and liquidity purposes. This portfolio



Asset allocation (6/30/00)
Total investment portfolio of \$112.6 billion

Chart B Growth in CalSTRS' returns (percent)

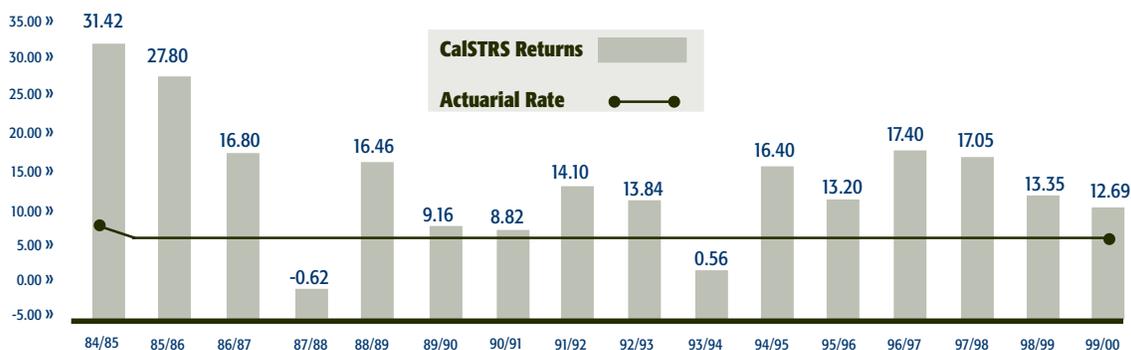


Chart C Performance returns for major asset categories

Portfolio Type/Associated Indices	1 Year	3 Years	5 Years	10 Years
Total Fund	12.69	14.35	14.72	12.64
Domestic Equity	10.78	19.08	22.11	17.20
Russell 3000	9.60	19.24	22.78	17.52
Wilshire 5000	9.52	19.06	22.47	17.28
Int'l Equity	18.01	10.31	12.94	n/a
MSCI All Country Free ex US (G)	18.10	9.46	11.12	8.28
MSCI Europe, Australia & Far East	17.16	10.18	11.32	7.95
MSCI Emerging Market Free	9.47	-4.96	0.99	8.94
Fixed Income	4.13	6.75	6.64	8.75
Salomon LPF	4.23	6.31	6.48	8.65
Real Estate	9.13	16.53	14.27	6.04
Real Estate Custom*	10.59	13.12	11.40	5.89
Alternative Investments	78.60	41.66	37.27	23.13
Alternative Investments Custom**	12.74	13.06	13.74	n/a
Liquidity	6.32	6.14	6.07	5.80
Salomon 3-Month Treasury Bill	5.31	5.08	5.19	4.93

(All performance calculations are conducted in accordance with the presentation standards of the Association for Investment Management and Research)

*NCREIF after 7/1/97 and Institutional Property Consultants prior to 7/1/97; lagged 1 quarter

**Blend of the [Russell 3000 + 5% + 90 day T-Bill] after 4/1/99 and [CPI + 12%] prior to 4/1/99; lagged 1 quarter

had approximately \$896 million in assets at fiscal year end. While CalSTRS' goal is to be fully invested at all times, benefit payments and asset allocation decisions necessitate the need for short-term highly liquid assets that provide a competitive rate of return until re-deployed into other asset classes. The Liquidity Portfolio exceeded its performance benchmark return by 100 basis points for the fiscal year ending June 30, 2000.

The Fixed Income unit also manages three other programs: the Home Loan Program, the Currency Hedging Program and the Securities Lending Program.

HOME LOAN PROGRAM

Legislation, that became effective in 1999, broadened CalSTRS' ability to offer home loans with different interest rates, terms and conditions. During the last fiscal year, CalSTRS funded more than \$55 million in home loans, bringing the total since origination in 1986 to nearly \$3 billion. Correspondent lending firms participating in the program again increased, from 10 to 13. Consideration will be given to other firms as the year progresses.

CURRENCY HEDGING PROGRAM

The strategic objective for the five-year-old program is to reduce the risk of the passively managed segment of the international equity portfolio. CalSTRS currently hedges a portion of its international stock exposure in order to protect these assets against a strengthening U.S. dollar in both Asia and Europe.

This program has been successful in adding value as a result of its prudent use of basic hedging principles and the strength of the U.S. dollar overseas. To date, the Currency Hedging Program has generated more than \$450 million in additional income to the fund.

SECURITIES LENDING PROGRAM

CalSTRS has been lending securities since 1988; this represents CalSTRS' first and longest running "Off Balance Sheet Program." The program was designed to enable CalSTRS to use its existing asset base and investment expertise to generate additional income. The amount of income that is earned as a result of the Securities Lending Program is based on a number of factors. These factors include the types and amounts of stocks and bonds held by CalSTRS, the volume of securities loaned, the appetites of the financial markets for CalSTRS' inventory of securities and the reinvestment of the cash taken in as collateral. Over the last fiscal year, CalSTRS has earned more than \$55 million from this activity; since inception, the program has earned approximately \$350 million.

Alternative Investments

This fiscal year, CalSTRS made additional commitments of nearly \$3 billion in this segment of the portfolio. Total commitments now amount to approximately \$8.1 billion or 7 percent of the total portfolio. There are 100 partnerships and six co-investments in the alternative investment portfolio. At the end of the fiscal year, the total market value was \$5 billion, representing nearly 5 percent of the total CalSTRS portfolio. CalSTRS continued to increase

Chart D Largest fixed income holdings as June 30, 2000 (CalSTRS maintains a complete list of portfolio holdings)

Issue	Maturity Date	Interest Rate	Par	Market Value	Average Cost	Unrealized Gain/(Loss)
US TREAS BDS	15-Aug-2017	8.88%	635,000,000	809,110,900	705,373,121	103,737,779
US TREAS BDS	15-Feb-2020	8.50%	535,000,000	670,922,100	648,057,426	22,864,674
US TREAS BDS	15-Aug-2019	8.13%	473,000,000	571,814,430	492,128,351	79,686,079
US TREAS BDS	15-Feb-2019	8.88%	420,000,000	540,552,600	456,607,679	83,944,921
US TREAS BDS	15-May-2017	8.75%	414,000,000	521,445,420	429,304,486	92,140,934
US TREAS BDS	15-Nov-2018	9.00%	355,000,000	460,999,450	445,375,805	15,623,645
FEDERAL HOME LN MTG CORP	29-Apr-2009	6.45%	485,000,000	451,956,950	467,296,274	(15,339,324)
FEDERAL HOME LN MTG CORP	15-Mar-2009	5.75%	480,500,000	437,629,790	432,072,145	5,557,645
US TREAS BDS	15-Nov-2016	7.50%	375,000,000	423,513,750	384,526,897	38,986,853
TENNESSEE VALLEY AUTH	15-Mar-2013	6.00%	415,000,000	384,393,750	429,952,337	(45,558,587)

Chart E Largest equity holdings as June 30, 2000 (CalSTRS maintains a complete list of portfolio holdings)

Issue	Shares	Market Value	Average Cost	Unrealized Gain/(Loss)
General Elec Co	28,948,341	1,534,262,073	339,400,465	1,194,861,608
Intel Corp	9,977,958	1,333,928,260	200,584,239	1,133,344,021
Cisco Sys Inc	20,509,828	1,303,655,947	217,027,755	1,086,628,192
Microsoft Corp	15,702,466	1,256,197,280	391,595,256	864,602,024
Pfizer Inc	18,667,157	896,023,536	242,378,526	653,645,010
Exxon Mobil Corp	10,065,497	790,141,515	360,501,884	429,639,630
Wal Mart Stores Inc	12,866,972	741,459,262	151,335,699	590,123,562
Oracle Corp	8,628,109	725,300,413	58,478,671	666,821,741
Nortel Networks Corp	9,210,606	628,623,860	135,589,273	493,034,587
Vodafone Airtouch	147,813,136	597,477,046	245,792,180	351,684,866

its commitment in this area as a result of the allocation review completed at the end of June 1997. The Alternative Investment asset class has achieved annualized returns of 79, 42 and 37 percent, for the 1-, 3- and 5-year periods, respectively.

Internal Equity Management

During 2000, CalSTRS increased the allocation to Internal Equity management by \$7 billion. As of June 30, 2000, the internally managed S&P 500 indexed portfolio had a market value of \$15.1 billion. This completes the allocation to this portfolio.

The performance objective of the internally managed passive portfolio is to track closely the return of the S&P 500 Index. During the period between June 1999 and June 2000, the Internal S&P 500 indexed portfolio returned 7.4 percent, slightly outperforming the benchmark S&P 500 Index return by 7.6 basis points.

Real Estate

Over the last fiscal year, CalSTRS portfolio of real estate assets reached \$3.8 billion. Eighty-two directly owned properties and three privately owned partnerships represented this dollar amount. Real estate represents nearly 3 percent of the total portfolio. The direct property portfolio is diversified as to property type and geographic location. The largest component of the direct property sector is Office; as was true last year, the largest weighting is in the western region of the United States. The CalSTRS' Real Estate portfolio has achieved

annualized returns of 9, 17 and 14 percent, for the 1-, 3- and 5-year periods, respectively.

Credit Enhancement

CalSTRS has entered into agreements with a number of issuers of non-taxable debt to provide the payment of principal and interest in the event of a non-payment. CalSTRS is paid on annual fee over the term of the agreement for each transaction. The majorities of the transactions are supported by collateral, letters-of-credit from banks or bond insurers for repayment. As of June 30, 2000, the Credit Enhancement program had commitments of approximately \$1.1 billion and fee income earned over the year was more than \$2 million.

External Equity Management

During 2000, the public equity portfolio continued to be an important investment vehicle for growth. In fiscal year 1999-2000, this segment of the portfolio accounted for about 67 percent (or \$75.5 million) of the total fund. Domestic Equity accounted for 42 percent of the total equity allocation, while International Equity accounted for the remaining 25 percent. As was true last year, Domestic Equity was over-weighted relative to the policy target; the over-weighting is due to Private Equity allocations that are currently unfunded. The current policy mandates that unfunded allocations remain invested in Domestic Equity until needed. The policy is monitored on a continuing basis and as commitments are funded in Alternative Investments and Real Estate, these

interim overweights are reduced. Pursuant to the policy mandates adopted in 1997 by the Teachers' Retirement Board, this protects the portfolio from veering away from the strategic asset allocation targets or taking unintentional "bets."

The CalSTRS portfolio results enabled the fund to finish in the 25th percentile of its peer group of large public funds. This is the second consecutive year that CalSTRS' results have placed it in the top quartile of its peers. Domestic Equity exceeded its benchmark by 120 basis points with a 10.8 percent return, while International Equity achieved an 18 percent return, slightly below its benchmark by 9 basis points. As an aside, for the first time, CalSTRS is reporting an international equity among its ten largest equity holdings as of June 30, 2000.

Corporate Governance

During the 1999-00 fiscal year, CalSTRS voted on a variety of proxy issues including financial, corporate governance and social issues. There were 7,192 votes cast on proxy issues of corporations whose shares were owned in the Investment Portfolio. These proxy issues were presented on 2,789 companies. The overall number of proxy issues increased from 6,588 last year, but the number of mergers/acquisitions reviewed remained constant, at a little more than 10 percent. Merger activity, both within United States borders and across the borders continued its steady course, especially in those transactions where stock is the compensation received by the acquired company's holders. This reflects the continued appreciation in the stock market, both at home and abroad.

Chart F Investment summary for the year ended June 30, 2000 (in millions)

Portfolio Type	30-Jun-99		30-Jun-00			
	Book Value	Market Value	Book Value	Market Value	% of Market Value	Net Market Change
Domestic Equity	20,996	45,838	22,477	46,982	41.71%	1,144
International Equity	19,021	23,686	21,922	28,546	25.34%	4,860
Fixed Income	24,880	24,902	27,694	27,312	24.25%	2,410
Alternative Investments	2,155	2,590	3,300	5,132	4.56%	2,542
Real Estate	2,360	2,170	3,943	3,772	3.35%	1,602
Liquidity	738	739	896	896	0.80%	157
Total Portfolio	70,150	99,925	80,232	112,640	100.00%	12,715
Plus: Securities Lending Collateral		15,516		16,107		
Less: Accruals		362		1,320		
Plan Net Assets-Investments		115,079		127,427		

Chart G Schedule of fees July 1, 1999 through June 30, 2000 (in thousands)

	Assets Under Management	Fees	Basis Points
Investment Managers' Fees:			
Domestic Equity	\$46,982,198	\$10,261	2.2
International Equity	28,563,905	31,673	11.1
Alternative Investments	5,131,705	1,163	2.3
Real Estate	3,771,560	12,844	34.1
Total Investment Managers' Fees	\$84,449,368	\$55,941	6.6

Chart H Broker commissions (July 1, 1998 through June 30, 2000)

Broker Name	Commission	Shares	Commission per share
Domestic Equity Transactions			
Jackson Partners + Associates Inc	427,150	7,487,683	0.057
Morgan Stanley And Co, Inc	361,921	9,480,937	0.038
Instinet	348,508	16,179,642	0.022
Investment Technology Group Inc.	336,637	12,871,102	0.026
Lehman Bros Inc.	272,466	6,559,035	0.042
Paine Webber Incorporated	254,705	4,608,893	0.055
Spear, Leeds & Kellogg	237,018	4,256,426	0.056
CS First Boston Corporation	222,199	6,457,425	0.034
Abel Noser Corporation	159,189	3,079,100	0.052
Capital Institutional Services	152,660	2,619,050	0.058
Other Domestic	2,049,792	42,885,693	0.048
Total Domestic	4,822,245	116,484,986	0.041
International Equity Transactions			
Morgan Stanley + Co	2,426,823	249,857,701	0.010
Merrill Lynch	1,538,734	620,525,714	0.002
Lehman Brothers Securities	923,194	401,485,507	0.002
CS First Boston Corp	744,209	71,632,057	0.010
Credit Lyonnais	505,279	71,022,096	0.007
HSBC Investment Bank PLC	492,302	19,474,107	0.025
Instinet	374,700	12,887,906	0.029
BHF Securities Corporation	334,834	8,224,489	0.041
Saloman Brothers Inc.	283,641	15,923,204	0.018
Deutsche Bank Securities Corp	251,876	9,370,058	0.027
Other International	3,118,649	1,240,317,333	0.003
Total International Commissions	10,994,241	2,720,720,172	0.004

The major issues voted are summarized below:

1. Election of Directors: CalSTRS generally votes in favor of directors unless the proxy statement shows circumstances contrary to policy. Examples of such circumstances are: greater than 50 percent board representation by company executives, potential conflict of interest due to other directorships or employment and classification of the company directors.

Number Voted: 2,471

For: 1,899

Against: 572

2. Selection of Auditors/Accountants: CalSTRS generally votes in favor on the independent auditors and accountants recommended by management.

Number Voted: 1,541

For: 1,541

Against: 0

3. Compensation Plans: (Stock Options, Incentive Stock Options, Employee Stock Purchase Plans, etc.) Corporations provide a variety of compensation plans to keep executives, employees and non-employee directors. A number of these plans provide for the issuance of long-term incentives to attract, reward, and retain key employees. Compensation Plans are evaluated based on CalSTRS' Financial Responsibility Criteria.

Number Voted: 1,128
For: 422
Against: 706

4. Approve Merger/Acquisition-Management: CalSTRS generally votes in favor of the acquisition or merger of one company into another.

Number Voted: 324
For: 324
Against: 0

5. Corporate Actions/Corporate Governance
Issues: These are issues related to mergers, acquisitions, stock issuance, stock splits and incorporation. CalSTRS generally votes in favor of these proposals unless there is a compelling reason not to cast a positive vote.

Number Voted: 555
For: 181
Against: 374

6. Other-Miscellaneous-Management: CalSTRS generally votes in favor of other miscellaneous business recommended by management, but issues are decided on a case-by-case basis.

Number Voted: 612
For: 558
Against: 165

Cash Balance Benefit Program

The Cash Balance Benefit Program contributions are invested at the direction of the Teachers' Retirement Board in internally pooled portfolios of the Teachers' Retirement Fund. Sixty percent of the contributions are allocated to the S&P 500 portfolio and 40 percent to the Government Index portfolio. The CB Benefit Program has ownership of units of these pooled portfolios that reflect market fluctuations of underlying securities on a daily basis. Income and expenses are distributed to each pooled portfolio on a pro rata basis determined by the number of units owned as a percentage of the total units of the portfolio.

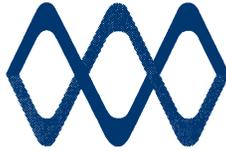
Contributions in the CB Benefit Program began on February 1, 1997. The investment value of those contributions as of June 30, 2000, is \$10.6 million. For both portfolios, the combined total return for the past year was 6.8 percent. Since their inception, these portfolios have achieved a return of 17.4 percent. The benchmark returns for the past year were 7.3 percent for the S&P 500 and 5.5 percent for the Salomon Brothers Large Pension Fund –Treasury.



ACTUARIAL

“The projected income stream from the contributions mandated by the Education Code will be sufficient to pay the Normal Costs. In addition, the DB Program does not have an Unfunded Actuarial Obligation as of the current valuation date.”

—*Milliman and Robertson Inc.*



MILLIMAN & ROBERTSON, INC.
Actuaries & Consultants

Internationally WOODROW MILLIMAN

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October 20, 2000

Teachers' Retirement Board
California State Teachers' Retirement System

Re: Valuation of the Defined Benefit Program

Dear Members of the Board:

We have performed an actuarial valuation of the Defined Benefit Program of the California State Teachers' Retirement System as of June 30, 1999. In our opinion, the DB Program is an actuarially sound system based on the current actuarial assumptions. Our findings indicate the projected income stream from the contributions mandated by the Education Code will be sufficient to pay the Normal Costs. In addition, the DB Program does not have an Unfunded Actuarial Obligation as of the current valuation date.

Actuarial valuations are normally performed every two years, as of June 30 of each odd-numbered year. However, a special valuation was prepared as of June 30, 1998, which indicated the Unfunded Actuarial Obligation had been eliminated.

In preparing the valuation, we relied upon the financial and membership data furnished by the System, and the Report of Independent Accountants prepared by PriceWaterhouseCoopers. Although we did not audit this data, we compared the data for this and the prior valuation and tested for reasonableness. Based on these tests, we believe the data to be sufficiently accurate for the purposes of our calculations.

Information presented included in this Actuarial Section of the 2000 Comprehensive Annual Financial Report, including the following supporting tables, is based on information found in our June 30, 1999 actuarial valuation report:

- Actuarial Assumptions and Methods
 - Post-retirement mortality
 - Probabilities of retirement
 - Probabilities of withdrawal from active service
 - Pay increases due to promotions and longevity
 - Economic assumptions
 - Mortality assumptions
 - Termination from disability
 - Rates of disability
 - Rates of termination
 - Probability of refund

- Analysis of Financial Experience

In addition, data for the fiscal year ending June 30, 1999, presented in Schedules I and II, and the summary of actuarial methods and assumptions in Schedule II of the Financial Section, are based on information in our valuation report.

The Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the DB Program. The Board adopted all of the actuarial methods and assumptions used in the 1999 valuation.

The findings have been determined according to actuarial assumptions and methods that were chosen on the basis of recent experience of the system and of current expectations concerning future economic conditions. In our opinion, the assumptions used in the actuarial valuation are appropriate for purposes of the valuation, are internally consistent, and reflect reasonable expectations. The assumptions represent our best estimate of future conditions affecting the DB Program. Nevertheless, the emerging costs of the DB Program will vary from those presented in this report to the extent that actual experience differs from that projected by the assumptions.

The actuarial valuation was prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Standards of Practice adopted by the Actuarial Standards Board of the American Academy of Actuaries. In addition, the assumptions and methods used meet the parameters set for disclosures by Governmental Accounting Standards Board Statement No. 25.

The undersigned is an independent actuary, a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, an Enrolled Actuary, and experienced in performing valuations for large public employee retirement systems.

In conclusion, the DB Program of the California State Teachers' Retirement System is an actuarially sound system based on the current actuarial assumptions.

Respectfully submitted,



Mark O. Johnson, F.S.A., M.A.A.A., E.A.
Consulting Actuary

Summary of Actuarial Assumptions and Methods

CalSTRS, through its consulting actuary, performs an experience study every four years to determine appropriate demographic and economic assumptions. These assumptions are then applied when the consulting actuary performs an actuarial valuation to monitor the funding status of the Defined Benefit Program. The most recent experience study for the period 1995 through 1999 was completed as of June 30, 1999. The study was adopted by the Teachers' Retirement Board in February 2000. The most recent actuarial valuation was completed as of June 30, 1999, and adopted by the Teachers' Retirement Board in April 2000.

Following are the assumptions adopted by the Teachers' Retirement Board for this program.

- Investment return rate is 8.00 percent.
- Method used to value program assets for actuarial valuation purposes: Expected actuarial value adjusted for 33 percent of the difference between actual market value and expected actuarial value.
- Assumption for general wage increase because of inflation is 4.25 percent of which 3.5 percent is due to inflation and .75 percent is due to expected gains in productivity.
- The actuarial cost method used by the program is the entry age normal actuarial cost method, with actuarial gains and losses amortized over the remaining period required for the amortization of any unfunded actuarial obligation. Both are combined and amortized over 30 years, which is the board policy.
- The extent to which benefits are expected to increase as a result of cost-of-living type adjustments is 2 percent of the initial allowance provided annually beginning on September 1 following the first anniversary of the effective date of the allowance. Since 1971, this increase is applied to all eligible continuing allowances and is a provision of Part 13 of the Education Code, which governs the program.

- The last study of the program's actual experience was completed by the consulting actuary on January 21, 2000 (as of June 30, 1999) and adopted by the Teachers' Retirement Board February 3, 2000. All assumptions used in subsequent actuarial valuations were provided by that experience study. The most recent actuarial valuation of the program was completed March 17, 2000 (as of June 30, 1999) and adopted by the Teachers' Retirement Board April 6, 2000.

Table 1 Post-retirement mortality table for sample ages

Age	Male	Female
50	0.19 %	0.12 %
55	0.32	0.19
60	0.56	0.34
65	1.02	0.67
70	1.80	1.18
75	2.85	1.83
80	5.02	3.78
85	9.42	6.50
90	14.75	11.63
95	23.36	18.62
	1999 CalSTRS Retired-M	1999 CalSTRS Retired-F

Table 2 Probabilities of retirement for sample ages

Age	Male	Female
55	5.0 %	6.0 %
60	20.0	12.0
65	20.0	19.0
70	100.0	100.0

Table 3 Probabilities of withdrawal from active service before and service retirement for sample ages

Duration	Entry Ages-Female			
	27	32	37	42
Males				
1	12.5%	12.5%	12.5%	12.5%
2	9.5	9.2	9.2	9.5
3	6.8	6.8	6.8	7.2
4	5.8	5.8	5.8	6.2
5	4.2	4.2	4.2	4.2
10	2.0	2.0	2.0	2.4
15	1.1	1.1	1.2	
20	0.6	0.6		
25	0.5			
Females				
1	10.0%	10.0%	10.0%	10.0%
2	8.3	8.3	7.5	6.8
3	7.3	6.5	5.5	5.3
4	7.1	5.6	4.5	4.0
5	5.8	4.2	3.5	3.0
10	2.0	1.7	1.4	1.6
15	0.9	1.0	0.9	
20	0.7	0.9		
25	0.6			

Table 4 Assumption for pay increases due to promotions and longevity for sample ages (exclusive of the assumed general wage increase, which includes inflation)

Duration	Entry Ages					
	Under 25	25-29	30-34	35-39	40-44	45 & Up
1	6.1%	5.8%	5.5%	5.4%	5.4%	4.0%
10	3.2	3.0	2.7	2.3	2.2	1.6
20	1.2	1.1	1.1	0.7	0.7	0.5
30	0.9	0.7	0.6	0.4		

Table 5 Economic assumptions

	Past	Revised
Consumer Price Inflation	4.5%	3.5%
Investment Yield	8.00	8.00
Wage Inflation	5.50	4.25
Interest on Member Accounts	6.00	6.00
Growth in Active Membership	0.00	0.00
Administrative Expenses	0.25 *	0.00 **

*Percent of payroll

** Provided by gross investment return

DISCUSSION OF RECENT CHANGES IN:

The nature of the program—Since the last experience study as of June 30, 1995, program amendments have been made that affect both the June 30, 1999 experience study and the June 30, 1999 actuarial valuation. These program amendments, effective January 1, 1999, include:

- Increased age factor for members who retire after age 60
- Career factor for members who retire with more than 30 years of service
- Service Credit for unused sick leave

Actuarial assumptions—The actuarial valuation utilizes various methods and two different types of assumptions: economic and demographic. Economic assumptions are related to the general economy and its impact on CalSTRS or to the operation of the membership. Demographic assumptions predict the future experience of the membership with respect to eligibility and benefits and are directly related to the specific experience of CalSTRS members.

Economic assumptions: The two major economic assumptions are investment return and wage growth and each is affected by the underlying assumed rate of inflation. Tables 1–5 provide the economic actuarial assumptions for this program as reflected in the most recent experience study of the program (as of June 30, 1999).

Demographic assumptions: Tables 6–11 provide past and revised demographic assumption information for this program as reflected in the most recent experience study of the program (as of June 30, 1999).

Table 6 Mortality assumptions

	Past	Revised
Retired Members		
Male	1983 GAM-M (-3)	1999 CalSTRS Retired-M
Female	1983 GAM-F (-1)	1999 CalSTRS Retired-F
Active Members		
Male	1983 GAM-M (-5)	1999 CalSTRS Retired-M (-2)
Female	1983 GAM-F (-3)	1999 CalSTRS Retired-F (-2)
Beneficiaries		
Male	1983 GAM-M (-3)	1999 CalSTRS Beneficiary-M
Female	1983 GAM-F (-1)	1999 CalSTRS Beneficiary-F
Pre-1972 Disabilities		
Male	1951 GAM-M (-1)	1951 GAM-M (-1)
Female	1951 GAM-M (-8)	1951 GAM-M (-7)

Table 7 Termination from disability

	Past	Revised
Male	1983 GAM-M (Min. 3.5%)	1994 GAM-M (Min. 2.5% with select rates in first 3 years)
Female	1983 GAM-F (Min. 2.2%)	1994 GAM-F (Min. 2.2% with select rates in first 3 years)

ACTUARIAL METHODS

Actuarial Cost Method Entry Age Normal Actuarial Cost Method

Asset Valuation Method Expected Value with one-third adjustment to Market Value

The Asset Valuation Method changed for the most recent actuarial valuation, as of June 30, 1999. The current asset smoothing method projects an Expected Value of Assets using the assumed rate of investment return, then one-third of the difference between the Expected Value and the Market Value is recognized in the Actuarial Value of Assets. The prior method recognized one-fourth of the difference. The actuarial gain due to the change in the asset smoothing method is \$2.629 billion.

CalSTRS contracts for all actuarial services. The current contractor, Milliman and Robertson, has been the program's actuary since January 15, 2000.

There are no other specific assumptions that have a material impact on valuation results for this program.

The data displayed in Table 12 (on page 58) is as of June 30 of the specified year. Other information, specifically annual payroll amounts, reported in the financial section of this report will generally not be consistent. The reason for this is that the financial data reflects payroll for all individuals who were active during the year, while Table 12 only includes those individuals who are active as of June 30. It does not include those individuals who were active at some point during the year but not as of June 30.

Amounts provided in Table 13 (on page 58) represent the status of the population as of June 30 of the indicated year. The information provided in the Removed From Rolls and Rolls End of Year columns include the application of the annual post-retirement 2 percent not-compounded cost-of-living adjustment.

The data provided for each year end in Table 13 is a snapshot of the population taken following year-end closing for the indicated period. It is likely adjustments will be made subsequent to this closing. No attempt is made to update the data in Table 13 for these adjustments.

Because of the potential for post-closing adjustments that are not updated in Table 13, and for post-retirement adjustments that are included in the individual accounts rather than separately maintained, any update of a prior end of year total using additions

Table 8 Service retirement (sample ages)

	Past		Revised	
	Pre-1999	1999	Pre-1999	1999
Male				
55	6.3%	4.3%	5.8%	5.0%
60	26.1	19.1	25.0	20.0
65	28.3	53.3	20.0	20.0
70	100.0	100.0	100.0	100.0
Female				
55	6.8%	4.8%	7.0%	6.0%
60	19.8	12.8	22.0	12.0
65	24.6	49.6	18.0	19.0
70	100.0	100.0	100.0	100.0

and deletions from the next year most likely will not equal the total provided for the next year.

An experience analysis was performed for the program in 1995 and again in 1999. As a result of the performance of these studies, changes were made to the actuarial assumptions and to the funding methods. The following significant plan changes have taken place during the time depicted in Table 14. These program amendments, effective January 1, 1999, include:

- Increased age factor for members who retire after age 60
- Career factor for members who retire with more than 30 years of service
- Service Credit for unused sick leave

The most recent actuarial valuation of the system (as of June 30, 1999) determined there is no unfunded actuarial obligation for this program. The prior actuarial valuation (as of June 30, 1998) also indicated there was no unfunded actuarial obligation.

With the exception of the actuarial valuation performed as of June 30, 1998, actuarial valuations are performed every two years to analyze the sufficiency of the statutory contributions to meet the current and future obligations of the program. By using the actuarial methods and assumptions adopted by the Teachers' Retirement Board, the actuarial valuation provides the best estimate of the program's long-term financing.

Comparing the unfunded actuarial obligation as of two valuation dates does not provide enough information to determine if there were actuarial gains or losses. The correct comparison is between the unfunded actuarial obligation on the valuation date and the expected unfunded actuarial obligation projected from the prior valuation date using the actuarial assumptions in effect for the period of comparison.

Table 15 (on page 60) shows the actuarial obligation and the elements to project that figure forward: the normal cost, less benefit payments, plus a charge for interest at the assumed rate. In addition, the table shows actuarial gains, in parentheses, and losses by individual component.

Actuarial gains reduce the unfunded actuarial obligation as of the valuation date, and actuarial losses increase the unfunded actuarial obligation. Most actuarial gains and losses are a result of short-term fluctuations in experience or changes in actuarial assumptions. Because of the long-term nature of actuarial assumptions, future patterns of emerging experience may offset these short-term fluctuations.

Table 9 Disability

Rate of Disability (sample ages)				
		Past	Revised	
Coverage A				
Male	30	0.03%	0.030%	
	40	0.08	0.081	
	50	0.16	0.159	
Female	30	0.03%	0.030%	
	40	0.08	0.090	
	50	0.18	0.219	
Coverage B				
		Entry Age Under 37	Entry Age Under 40	
Male	30	0.07%	0.030	
	35	0.12	0.051	
	40	0.13	0.120	
	45	0.16	0.150	
	50	0.20	0.195	
	55	0.27	0.270	
Female	30	0.03 %	0.030	
	35	0.05	0.051	
	40	0.09	0.090	
	45	0.14	0.141	
	50	0.23	0.231	
	55	0.32	0.318	
		Entry Age 42	Entry Age 47	Entry Age 40+
Male	45	0.23%		0.196%
	50	0.36	0.49%	0.288
	55	0.46	0.80	0.390
Female	45	0.23%		0.231%
	50	0.36	0.40%	0.360
	55	0.46	0.60	0.459

Table 10 Withdrawal all terminations

	Male	14,117	Female	28,460					
Rates of termination by sample duration of membership and sample entry age									
Duration	Past Sample Entry Ages				Revised Sample Entry Ages				
	27	32	37	42	27	32	37	42	
Male									
1	14.8%	14.8%	14.8%	14.8%	12.5%	12.5%	12.5%	12.5%	
2	8.8	8.8	8.8	8.8	9.5	9.2	9.2	9.5	
3	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.2	
4	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2	
5	5.0	5.0	5.0	5.0	4.2	4.2	4.2	4.2	
10	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.4	
15	1.3	1.3	1.3		1.1	1.1	1.2		
20	0.8	0.8			0.6	0.6			
25	0.5				0.5				
Female									
1	14.8 %	14.8%	14.8%	14.8%	10.0%	10.0%	10.0%	10.0%	
2	8.8	8.6	7.7	6.6	8.3	8.3	7.5	6.8	
3	7.7	6.8	5.4	5.1	7.3	6.5	5.5	5.3	
4	6.8	5.8	4.4	4.3	7.1	5.6	4.5	4.0	
5	5.9	5.0	3.8	3.6	5.8	4.2	3.5	3.0	
10	2.5	2.2	1.9	1.6	2.0	1.7	1.4	1.6	
15	1.2	1.2	1.2		0.9	1.0	0.9		
20	0.9	0.9			0.7	0.9			
25	0.8				0.6				
Probability of refund by sample durations of membership and sample entry ages									
Duration	Sample Entry Ages				Sample Entry Ages				
	27	32	37	42	27	32	37	42	
Male									
Under 5	100%	100%	100%	100%	100%	100%	100%	100%	
10	60	50	50	45	40	40	45	40	
15	50	45	45		40	35	35		
20	40	40			35	30			
25	30				20				
Female									
Under 5	100%	100%	100%	100%	100%	100%	100%	100%	
10	40	40	40	35	25	30	30	25	
15	35	35	35		20	30	20		
20	30	25			20	20			
25	20				20				

Table 11 Promotional salary increases (assumption for salaries due to promotions and longevity, exclusive of the assumed general wage increase)

Duration	Past				Revised					
	Sample Entry Ages				Sample Entry Ages (Unisex)					
	27	32	37	42	Under 25	25-29	30-34	35-39	40-44	45+
Male										
1	8.0%	9.5%	9.8%	8.9%	6.1%	5.8%	5.5%	5.4%	5.4%	4.0%
10	3.6	2.6	1.9	2.0	3.2	3.0	2.7	2.3	2.2	1.6
20	1.1	0.7	0.7	0.4	1.2	1.1	1.1	0.7	0.7	0.5
30	0.7	0.6			0.9	0.7	0.6	0.4		
Female										
1	7.2%	7.7%	8.5%	5.4%						
10	3.1	2.5	2.7	2.6						
20	0.7	0.6	0.9	1.0						
30	0.3	0.4								

Table 12 Schedule of active member valuation data

Date (as of June 30)	Number	Annual Payroll	Annual Average Pay	% Increase In Average Pay
1995	327,513	\$12,411,264,262	\$37,895	1.0%
1996	336,725	12,994,673,531	38,591	1.8
1997	364,000	14,371,068,403	39,481	2.3
1998	385,530	15,725,658,541	40,790	3.3
1999	402,220	17,007,886,951	42,285	3.7
2000	420,530	18,224,271,726	43,336	2.5

Table 13 Schedule of retired members and beneficiaries added to and removed from rolls (\$ thousands)

Date (as of June 30)	Added to Rolls		Removed from Rolls		Rolls-End of Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
1995	7,863	\$185,022	4,351	\$51,817	146,805	\$2,438,513	8.1%	\$16,611
1996	7,737	186,916	4,642	55,635	150,805	2,621,422	7.5	17,383
1997	6,672	163,744	4,717	59,864	153,639	2,781,406	6.1	18,104
1998	7,996	206,368	4,908	64,640	157,747	2,985,017	7.3	18,923
1999	7,874	236,923	5,105	69,463	161,457	3,220,227	7.9	19,945
2000	8,184	261,607	5,550	78,483	165,282	3,473,208	7.9	21,014

Table 14 Solvency test (\$ millions)

*Valuation Date (as of June 30)	Aggregate Accrued Liabilities For			Actuarial Value of Assets	Funding of Liabilities		
	(1) Active Member Contributions On Deposit	(2) Future Benefits to Benefit Recipients	(3) Service Already Rendered by Active Members		(1)	(2)	(3)
1995	\$14,478	\$25,416	\$23,497	\$55,207	100.0%	100.0%	65.2%
1997	17,041	29,127	23,684	67,980	100.0%	100.0%	92.1%
1998	18,451	31,158	24,625	77,290	100.0%	100.0%	112.4%
1999 (a)	21,337	33,019	31,993	90,001	100.0%	100.0%	111.4%

*No actuarial report is prepared in even-numbered years, except for the June 30, 1998 report. No estimation using actuarial methodology is made in years between valuations.
(a) Effective January 1, 1999, program changed to increase retirement multiplier and add career factor and service credit for unused sick leave.

INDEPENDENT ACTUARIAL REVIEW

Actuarial services for the California State Teachers' Retirement System are provided under contract by a qualified independent actuarial firm, with additional review provided by the staff actuary.

The work performed for CalSTRS by the independent actuarial firm is subject to periodic audit by the Bureau of State Audits. Also, through the competitive acquisition process, the work of a prior actuary will be verified in a subsequent actuarial valuation performed by a new contract actuary. Should the same actuarial firm continue for a period of 10 years, provision is made for an independent review of that firm's work through an actuarial audit completed by another firm. These audit services are acquired using the competitive acquisition process.

Summary of Defined Benefit Program Provisions

(considered in the June 30, 1999 actuarial valuation)

SERVICE RETIREMENT

Eligibility

Age 60 with five years of credited California service.

Benefit Formula

2 percent of final compensation for each year of credited service at age 60. (Final compensation is the average salary earnable for the highest three consecutive years of credited California service.) All CalSTRS members who retire on or after January 1, 1999, receive service credit for unused sick leave at retirement.

Exceptions:

- 1) For an eligible classroom teacher who retires after June 30, 1990, final compensation may be the highest annual compensation earnable during any period of 12 consecutive months while a member of the plan. This provision only applies to a qualified classroom teacher, as defined, who is employed by an employer who has entered into a written agreement with the exclusive employee representative to make this provision applicable.

Table 15 Analysis of financial experience (gains and losses in unfunded actuarial obligation resulting from differences between assumed and actual experience) (\$ Billions)

	Actuarial Valuation as of June 30	
	1999	1998
Actuarial Obligation at June 30:	74,234(1998)	69,852(1997)
Normal Cost	2,441	2,257
Benefit Payments	(3,220)	(3,172)
Expected Interest	6,005	5,552
Expected Actuarial Obligation at June 30:	79,460	74,489
Expected Actuarial Value of Assets at June 30:	86,150	73,908
Expected Unfunded Actuarial Obligation at June 30:	(6,690)	581
Actuarial (Gains) & Losses		
Change in Asset Method	(2,629)	
Change in Actuarial Assumptions	(3,187)	
Investment Return Assumption	(1,195)	(3,382)
Demographic Assumptions	2,616	119
Net Change Other Sources	7,460	(374)
Total Actuarial (Gains) & Losses	3,065	(3,637)
Unfunded Actuarial Obligation at June 30:	(3,625)	(3,056)

2) Effective January 1, 1994, final compensation may be the highest average annual compensation earnable during any three nonconsecutive years (one year is a period of 12 consecutive months) of membership in the program. This alternative is available only to a member whose salary has been reduced because of a reduction in school funds.

Early Retirement

Eligibility

Age 55 with five years credited California service. A 1/2 percent reduction is made in the normal retirement allowance for each full month or partial month the member is younger than age 60.

30 and Out

Age 50 with 30 years of credited California service. The standard (1/2 percent) early retirement reduction is applied from 60 to age 55 and a 1/4 percent reduction is made for each full or partial month the member is younger than age 55.

Retirement After Normal Retirement Age

Members continue to earn additional service credit after age 60. As part of the 1999 benefit increase, the 2 percent age factor increases by 0.033 percent for each quarter of a year of age that the member is over age 60, up to a maximum of 2.4 percent.

Over 30 Years of Service Credit

Members who retire with at least 30 years of earned service credit have an additional 0.2 percent (two-tenths of 1 percent) added to the age factor up to a maximum age factor of 2.4 percent. The 30 years of service credit to qualify for the career bonus does not include credit from unused sick leave, nonqualified service or Golden Handshake.

Pre-Retirement Election of an Option

Any member who is eligible for service retirement may make a pre-retirement election to receive a modified joint and survivor allowance payable at retirement in place of the unmodified allowance. If the member dies prior to retirement, the option beneficiary will receive a lifetime allowance based on

the option selected. This election is available for those members who qualify for retirement and do not wish to retire, but want to ensure a monthly lifetime income to a beneficiary in the event death occurs prior to retirement. However, the pre-retirement election makes the member ineligible for a family or survivor benefit allowance unless the election is canceled prior to death.

Post-Retirement Adjustment

Benefit Improvement Factor

There is a 2 percent simple increase on each September 1 following the first anniversary of the effective date of the allowance (the date on which the monthly allowance began to accrue). The annual 2 percent increase is applied to all continuing allowances.

Death Benefit for Retired Members

Designated beneficiaries of CalSTRS retired members receive a \$5,598 lump-sum death payment. The amount of the death payment may be adjusted by the Teachers' Retirement Board following each actuarial valuation based on changes to the All-Urban California Consumer Price Index.

Termination of Membership

After termination of employment, a member may request a refund of contributions and interest as credited to the member's account to date of withdrawal.

A refund terminates membership in and all rights to future benefits from the program.

DISABILITY ALLOWANCE—COVERAGE A

Eligibility

Age Limit: Under age 60.

Service Credit: Minimum of five years.

Employment Status: May apply for disability allowance while still employed.

Benefit Formula

Allowance

50 percent of final compensation

or

5 percent of final compensation for each year of service credit if over age 45 with less than 10 years of service credit.

plus

Children's Benefits

10 percent of final compensation for each eligible dependent child, up to a maximum of 40 percent of final compensation. The increment for each eligible child continues until the child attains age 22.

Pre-Retirement Election of an Option

Any member receiving a disability allowance who is eligible to retire may make a pre-retirement election to receive a modified joint and survivor allowance payable at retirement in place of the unmodified allowance. If the member dies prior to retirement, the option beneficiary will receive a lifetime allowance based on the option selected. The pre-retirement election makes the member's survivor ineligible for the family allowance unless the election is canceled prior to the member's death.

Conversion To Service Retirement

Allowance is payable for duration of disability or until conversion to a service retirement allowance at normal retirement age. A member's allowance is based on the projected final compensation and projected service to normal retirement age; however, the service retirement allowance may not exceed the terminated disability allowance.

Death Benefit

A \$5,598 lump-sum death payment is payable to the designated beneficiary upon the death of the disabled member. The amount of the death payment may be adjusted by the Teachers' Retirement Board following each actuarial valuation based on changes to the All Urban California Consumer Price Index.

plus

If the member has not elected a pre-retirement option, a family allowance is payable to the surviving spouse who has children eligible for a children's benefit.

or

If there are no eligible children, the spouse may elect to take a lump-sum refund of the contributions and interest remaining in the member's account or receive an Option 3 beneficiary allowance at age 60, or immediately with a reduction based on the member's and spouse's ages at the time the benefit begins.

DISABILITY RETIREMENT — COVERAGE B

Eligibility

Age Limit: None.

Service Credit: Minimum of five years.

Employment Status: May apply for disability retirement while still employed.

Benefit Formula

Allowance

50 percent of final compensation regardless of age and service credit.

plus

Children's Benefits

10 percent of final compensation for each eligible dependent child, up to a maximum of 40 percent of final compensation. The increment for each eligible child continues until the child attains age 21, regardless of student, marital or employment status.

Option Election

May elect a joint and survivor option upon application for a disability retirement.

Conversion to Service Retirement

No conversion; allowance is payable for the duration of the disability.

Death Benefit

A \$5,598 lump-sum death payment is payable to the designated beneficiary upon the death of the disabled member. The amount of the death payment may be adjusted by the Teachers' Retirement Board following each actuarial valuation based on changes to the All Urban California Consumer Price Index.

plus

If an option was selected at the time of disability retirement, a lifetime allowance is payable to the option beneficiary.

or

If no option was selected, a lump-sum refund of any remaining contributions and interest in the member's account is payable to the eligible beneficiary.

FAMILY ALLOWANCE—COVERAGE A

Eligibility

Status: Member was actively employed or receiving a disability allowance at the time of death and had not elected a pre-retirement election of an option.

Service Credit: One or more years.

Lump-Sum Death Payment

A \$5,598 lump-sum death payment is payable to the designated beneficiary upon the death of the member. The amount of the death payment may be adjusted by the Teachers' Retirement Board following each actuarial valuation based on changes to the All-Urban California Consumer Price Index.

Basic Benefit

When there are eligible children, a family allowance will be paid. If there are no eligible children, the spouse may elect to receive an Option 3 beneficiary allowance at age 60 or immediately with a reduction based on the member's and spouse's ages at the time the benefit begins or take a lump-sum refund of the remaining contributions and interest in the member's account.

Surviving Spouse

Eligibility

Married to the member for at least one year on the date of death.

Allowance

The surviving spouse with eligible children would receive 40 percent of the member's final compensation for as long as there is at least one eligible child.

An additional 10 percent of final compensation is payable for each eligible child, up to a maximum benefit of 50 percent for the children's increment.

To be eligible, dependent children must be unmarried and under age 22.

When there are no eligible children, the spouse may elect to receive an Option 3 beneficiary allowance or take a lump-sum refund of the remaining contributions and interest in the member's account.

If there is no surviving spouse, an allowance of 10 percent of the member's final compensation is payable to each eligible child up to a maximum of 50 percent of final compensation.

If there is neither a surviving spouse nor a dependent child, the member's dependent parents may elect to receive an Option 3 beneficiary allowance at age 60 or over, or take a lump-sum refund of the remaining contributions and interest in the member's account.

Contributions and Interest

If there is no surviving spouse, eligible children, or dependent parent, the contributions and interest are paid to the designated beneficiary.

Death Benefit for Retired Members

Designated beneficiaries of CalSTRS retired members receive a \$5,598 lump-sum death payment. The amount of the death payment may be adjusted by the Teachers' Retirement Board following each actuarial valuation based on changes to the All-Urban California Consumer Price Index.

SURVIVOR BENEFITS—COVERAGE B

Eligibility

Status: Member was actively employed at the time of death and had not elected a pre-retirement election of an option.

Service Credit: One or more years.

Lump-Sum Death Payment

A \$22,394 lump-sum death payment is payable to the designated beneficiary if the member had one or more years of credited service. The amount of the death payment may be adjusted by the Teachers' Retirement Board following each actuarial valuation based on changes to the All-Urban California Consumer Price Index.

Basic Benefit

The surviving spouse may elect to receive a monthly allowance or take a lump-sum of the contributions and interest in the member's account.

Surviving Spouse

Eligibility

Married to the member for at least one year on the date of death.

Allowance

If the surviving spouse elects not to take a lump-sum refund of the contributions and interest in the member's account, the surviving spouse would receive one half of the member's Option 3 allowance,

beginning on the member's 60th birthday, or immediately with a reduction based on the member's and spouse's age at the time the benefit begins. There is no dependent child requirement.

If the surviving spouse elects a monthly allowance, each eligible dependent child would receive 10 percent of the member's final compensation with a maximum benefit of 50 percent. The benefit is dependent upon the spouse electing a monthly allowance.

To be eligible, dependent children must be under age 21. Student, marital or employment status will not terminate the benefit.

If there is no surviving spouse, no children's benefits are payable.

Contributions and Interest

If there is no surviving spouse, the contributions and interest are paid to the member's designated beneficiary.

FUNDING

Members Contribution: Eight percent of creditable compensation.

Employers Contribution: Eight percent of the total creditable compensation on which member contributions are based.

plus

0.25 percent of the total creditable compensation on which members' contributions are based to pay costs for unused sick leave service credit.

State Contribution: Commencing July 1, 1999, 3.102 percent of the total of the creditable compensation of the immediately preceding calendar year upon which members' contributions are based calculated annually on October 1, paid in four equal quarterly payments. Used to fund certain benefit enhancements effective January 1, 1999.

plus

Commencing October 1, 1998, 0.524 percent adjustable annually in 0.25 percent increments up to a maximum of 1.505 percent, of the total of the creditable compensation of the immediately preceding calendar year upon which members' contributions are based

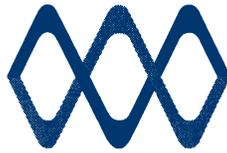
calculated annually on October 1, paid in four equal quarterly payments. This contribution is reduced to zero if there is no unfunded obligation or normal cost deficit for benefits in effect on July 1, 1990.

Changes in Defined Benefit Program Provisions

Since the last annual financial report, program amendments have been made that would affect the next actuarial valuation. The amendment described below was effective January 1, 2000, and, therefore, not considered for the June 30, 1999 actuarial valuation.

Minimum Guarantee

Members who retired before January 1, 2000, with at least 20 years of service receive a minimum allowance of \$15,000 annually up to \$20,000 with 30 years of service. The minimum guarantee is modified for an option to the extent the member's allowance is modified for an option.



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October 20, 2000

Teachers' Retirement Board
California State Teachers' Retirement System

Re: Valuation of the Cash Balance Benefit Program

Dear Members of the Board:

We have performed an actuarial valuation of the Cash Balance Benefit Program of the California State Teachers' Retirement System as of June 30, 1999. In our opinion, the CBB Program is an actuarially sound system based on the current actuarial assumptions. Our findings indicate the projected income stream from the contributions will be sufficient to pay the Normal Costs. In addition, the CBB Program had an Actuarial Surplus of \$223 thousand as of June 30, 1999.

Actuarial valuations are performed as of June 30 of each year.

In preparing the valuation, we relied upon the financial and membership data furnished by the System. Although we did not audit this data, we compared the data for this and the prior valuation and tested for reasonableness. Based on these tests, we believe the data to be sufficiently accurate for the purposes of our calculations.

Information presented included in this Actuarial Section of the 2000 Comprehensive Annual Financial Report, including the following supporting tables, is based on information found in our June 30, 1999 actuarial valuation report:

- Actuarial Assumptions and Methods
 - Post-retirement mortality
 - Probabilities of retirement
 - Probabilities of withdrawal from active service
 - Pay increases due to promotions and longevity
 - Economic assumptions
 - Mortality assumptions
 - Termination from disability
 - Rates of disability
 - Rates of termination
 - Probability of refund

- Analysis of Financial Experience

In addition, data for the fiscal year ending June 30, 1999, presented in Schedules I and II, and the summary of actuarial methods and assumptions in Schedule II of the Financial Section, are based on information in our valuation report.

The Teachers' Retirement Board has sole authority to determine the actuarial assumptions and methods used for the CBB Program. The Board adopted all of the actuarial methods and assumptions used in the 1999 valuation.

The findings have been determined according to actuarial assumptions and methods that were chosen on the basis of recent experience of the system and of current expectations concerning future economic conditions. In our opinion, the assumptions used in the actuarial valuation are appropriate for purposes of the valuation, are internally consistent, and reflect reasonable expectations. The assumptions represent our best estimate of future conditions affecting the CBB Program. Nevertheless, the emerging costs of the CBB Program will vary from those presented in this report to the extent that actual experience differs from that projected by the assumptions.

The actuarial valuation was prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Standards of Practice adopted by the Actuarial Standards Board of the American Academy of Actuaries. In addition, the assumptions and methods used meet the parameters set for disclosures by Governmental Accounting Standards Board Statement No. 25.

The undersigned is an independent actuary, a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, an Enrolled Actuary, and experienced in performing valuations for large public employee retirement systems.

In conclusion, the CBB Program of the California State Teachers' Retirement System is an actuarially sound system based on the current actuarial assumptions.

Respectfully submitted,



Mark O. Johnson, F.S.A., M.A.A.A., E.A.
Consulting Actuary

Summary of Actuarial Assumptions and Methods

CalSTRS, through its consulting actuary, will perform an experience study at least every four years to determine appropriate demographic and economic assumptions. These assumptions are then applied every year when the consulting actuary performs an actuarial valuation to monitor the funding status of the Cash Balance Benefit Program. The most recent actuarial valuation was completed as of June 30, 1999, and adopted by the Teachers' Retirement Board March 9, 2000.

The Cash Balance Benefit Program was established July 1, 1996. The first experience study of the program was completed January 21, 2000. The experience study was adopted by the Teachers' Retirement Board on February 3, 2000, and used to complete the latest actuarial valuation. Following are the assumptions adopted by the Teachers' Retirement Board for this program.

- Investment return rate is 8.00 percent.
- Method used to value plan assets for actuarial valuation purposes: Fair market value.
- Assumption for general wage increase because of inflation is 4.25 percent, of which 3.5 percent is due to inflation and .75 percent is due to expected gains in productivity.
- The actuarial cost method used by the program is the traditional unit credit cost method.

Table 1 Post-retirement mortality table for sample ages

Age	Male	Female
50	0.19%	0.12%
55	0.32	0.19
60	0.56	0.34
65	1.02	0.67
70	1.80	1.18
75	2.85	1.83
80	5.02	3.78
85	9.42	6.50
90	14.75	11.63
95	23.36	18.62

1999 CalSTRS Retired-M 1999 CalSTRS Retired-F

Table 2 Probabilities of retirement for sample ages

Age	Male	Female
55	5.0%	6.0%
60	20.0	12.0
65	20.0	19.0
70	100.0	100.0

- The Cash Balance Benefit Program does not provide cost-of-living adjustments for benefit recipients.

Discussion of recent changes in:

The nature of the program—The Cash Balance Benefit Program is a relatively new plan, established July 1, 1996. All provisions of the program were considered when completing the most recent actuarial valuation.

Actuarial assumptions—The following assumptions were used to complete the valuation for this program.

The economic assumptions for the actuarial valuation as of June 30, 1999, did not affect the unfunded actuarial obligation. The economic assumptions for this program will have minimal impact under the traditional unit credit cost method or only have significance when participants elect to annuitize the account balance. Under the program, a participant must have at least \$3,500 in his or her account to elect to annuitize the account balance.

Future service credits are determined by using individual records and projecting future service credits for each member based on that member's actual service credit earned in the prior year.

The demographic assumptions for the actuarial valuation as of June 30, 1999, did not affect the unfunded actuarial obligation. The demographic assumptions for this plan will have minimal impact under the traditional unit credit cost method or only have significance when participants elect to annuitize the account balance. Under the plan, a participant must have at least \$3,500 in his or her account to elect to annuitize the account balance.

Table 3 Probabilities of withdrawal from active service before age and service retirement for sample ages

Duration	Entry Ages				
	Under 25	25 – 29	30 – 34	35 - 39	40 and Up
Males					
1	12.5%	12.5%	12.5%	12.5%	12.5%
2	9.5	9.5	9.2	9.2	9.5
3	7.7	6.8	6.8	6.8	7.2
4	5.8	5.8	5.8	5.8	6.2
5	5.0	4.2	4.2	4.2	4.2
10	2.0	2.0	2.0	2.0	2.4
15	1.1	1.1	1.1	1.2	
20	0.6	0.6	0.6		
25	0.5	0.5			
30	0.3				
35	0.3				
40	0.3				
Females					
1	10.0%	10.0%	10.0%	10.0%	10.0%
2	8.3	8.3	8.3	7.5	6.8
3	7.7	7.3	6.5	5.5	5.3
4	7.1	7.1	5.6	4.5	4.0
5	5.5	5.8	4.2	3.5	3.0
10	2.3	2.0	1.7	1.4	1.6
15	1.1	0.9	1.0	0.9	
20	0.6	0.7	0.9		
25	0.6	0.6			
30	0.3				
35	0.3				
40	0.3				

Table 4 Assumption for pay increases due to promotions and longevity for sample ages (exclusive of the assumed general wage increase, which includes inflation)

Duration	Entry Ages					
	Under 25	25 – 29	30 – 34	35 - 39	40 - 44	45 and Up
1	6.1%	5.8%	5.5%	5.4%	5.4%	4.0%
2	5.6	5.1	4.9	4.7	4.7	3.3
3	5.5	5.0	4.7	4.6	4.6	3.0
4	5.5	4.8	4.6	4.4	4.4	2.9
5	5.5	4.8	4.5	3.8	3.8	2.6
10	3.2	3.0	2.7	2.3	2.2	1.6
15	1.5	1.5	1.4	1.1	1.1	0.8
20	1.2	1.1	1.1	0.7	0.7	0.5
25	1.1	1.0	0.9	0.5	0.6	
30	0.9	0.7	0.6	0.4		
35	0.7	0.7	0.5			
40	0.8	0.7				
45	0.8					

Table 5 Economic assumptions

Consumer Price Inflation	3.50%
Investment Yield	8.00
Wage Inflation	4.25
Interest on Participant Accounts	8.00

Table 6 Mortality assumptions

	Past	Revised
Retired Members		
Male	1983 GAM-M (-3)	1999 CalSTRS Retired-M
Female	1983 GAM-F (-1)	1999 CalSTRS Retired-F
Active Members		
Male	1983 GAM-M (-5)	1999 CalSTRS Retired-M (-2)
Female	1983 GAM-F (-3)	1999 CalSTRS Retired-F (-2)
Beneficiaries		
Male	1983 GAM-M (-3)	1999 CalSTRS Beneficiary-M
Female	1983 GAM-F (-1)	1999 CalSTRS Beneficiary-F

Table 7 Termination from disability

	Past	Revised
Male	1983 GAM-M (Minimum 3.5%)	1994 GAM-M (Minimum 2.5% with select rates in first 3 years)
Female	1983 GAM-F (Minimum 2.2%)	1994 GAM-F (Minimum 2.2% with select rates in first 3 years)

Table 8 Service retirement (sample ages)

		Past	Revised
Male	55	6.3%	5.0%
	60	26.1	20.0
	65	28.3	20.0
	70	100.0	100.0
Female	55	6.8%	6.0%
	60	19.8	12.0
	65	24.6	19.0
	70	100.0	100.0

Actuarial methods

Actuarial Cost Method Traditional Unit Credit

Asset Valuation Method Fair Market Value

The actuarial methods used for the program’s actuarial valuation as of June 30, 1999 result in an Actuarial Surplus of \$223,000. This surplus is primarily due to the merger of the Defined Benefit and the Cash Balance plans into a single plan with a separate Defined Benefit Program and a Cash Balance Benefit Program effective January 1, 1999, and the discharge of the \$1.3 million loan from the Teacher’s Retirement Fund.

CalSTRS contracts for all actuarial services. The current contractor, Milliman and Robertson, has been CalSTRS’ actuary since January 15, 2000.

Table 9 Disability rates (sample ages)

		Past	Revised	
		Entry Age Under 37	Entry Age Under 40	
Male	25	0.02%	0.021%	
	30	0.07	0.030	
	35	0.12	0.051	
	40	0.13	0.120	
	45	0.16	0.150	
	50	0.20	0.195	
Female	55	0.27	0.270	
	25	0.03%	0.030%	
	30	0.03	0.030	
	35	0.05	0.051	
	40	0.09	0.090	
	45	0.14	0.141	
	50	0.23	0.231	
	55	0.32	0.381	
		Entry Age 42	Entry Age 47	Entry Age 40 and Up
Male	45	0.23%		0.196%
	50	0.36	0.49%	0.288%
	55	0.46	0.80	0.390
Female	45	0.23%		0.231%
	50	0.36	0.40%	0.360
	55	0.46	0.60	0.459

There are no other specific assumptions that have a material impact on valuation results for this program.

Independent actuarial review

Actuarial services for the State Teachers’ Retirement System are provided under contract by a qualified independent actuarial firm.

The work performed for CalSTRS by the independent actuarial firm is subject to periodic audit by the Bureau of State Audits. Also, through the competitive acquisition process, the work of a prior actuary will be verified in a subsequent actuarial valuation performed by a new contract actuary. Should the same actuarial firm continue for a period of 10 years, provision is made for an independent

Table 10 Withdrawal rates (rates of termination by sample durations of membership and sample entry ages.)

Duration	Past Sample Entry Ages				Revised Sample Entry Ages			
	27	32	37	42	27	32	37	42
Male								
1	14.8%	14.8%	14.8%	14.8%	12.5%	12.5%	12.5%	12.5%
2	8.8	8.8	8.8	8.8	9.5	9.2	9.2	9.5
3	6.8	6.8	6.8	6.8	6.8	6.8	6.8	7.2
4	5.8	5.8	5.8	5.8	5.8	5.8	5.8	6.2
5	5.0	5.0	5.0	5.0	4.2	4.2	4.2	4.2
10	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.4
15	1.3	1.3	1.3		1.1	1.1	1.2	
20	0.8	0.8			0.6	0.6		
25	0.5				0.5			
Female								
1	14.8%	14.8%	14.8%	14.8%	10.0%	10.0%	10.0%	10.0%
2	8.8	8.6	7.7	6.6	8.3	8.3	7.5	6.8
3	7.7	6.8	5.4	5.1	7.3	6.5	5.5	5.3
4	6.8	5.8	4.4	4.3	7.1	5.6	4.5	4.0
5	5.9	5.0	3.8	3.6	5.8	4.2	3.5	3.0
10	2.5	2.2	1.9	1.6	2.0	1.7	1.4	1.6
15	1.2	1.2	1.2		0.9	1.0	0.9	
20	0.9	0.9			0.7	0.9		
25	0.8				0.6			

review of that firm’s work through an actuarial audit completed by another firm. These audit services are acquired using the competitive acquisition process.

The current actuarial consultant was retained on January 15, 2000 as a result of the competitive acquisition process.

Summary of Cash Balance Benefit Program Provisions

(considered in the June 30, 1999 actuarial valuation)

Description of Program

The Cash Balance Benefit Program is considered a defined benefit plan under the provisions of the Internal Revenue Code. It is optional to school districts, community college districts or county offices of education as an alternative retirement plan. The CB Benefit Program is a primary retirement program for employees of California’s public schools who are hired to perform creditable service for less than 50 percent of the full-time equivalent for the position.

Plan Eligibility Requirements

Employers may, through formal school board action, offer this program exclusively, or in addition to other alternative plans, and/or Social Security.

Table 11 Promotional salary increases (assumption for salaries due to promotions and longevity, exclusive of the assumed general wage increase)

Duration	Past Sample Entry Ages				Revised Sample Entry Ages (Unisex)					
	27	32	37	42	Under 25	25 – 29	30 – 34	35 – 39	40 - 44	45 & Up
Male										
1	8.0%	9.5%	9.8%	8.9%	6.1%	5.8%	5.5%	5.4%	5.4%	4.0%
10	3.6	2.6	1.9	2.0	3.2	3.0	2.7	2.3	2.2	1.6
20	1.1	0.7	0.7	0.4	1.2	1.1	1.1	0.7	0.7	0.5
30	0.7	0.6			0.9	0.7	0.6	0.4		
Female										
1	7.2%	7.7%	8.5%	5.4%						
10	3.1	2.5	2.7	2.6						
20	0.7	0.6	0.9	1.0						
30	0.3	0.4								

Table 12 Schedule of participant valuation data

Date (as of June 30)	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
1996	Plan established July 1, 1996			
1997	495*	\$2,109,000	\$4,261	na
1998	3,505	\$18,832,000	\$5,375	26.1%
1999	6,412	\$50,426,000	\$7,864	46.3%

*Active participants with account balances

Table 13 Schedule of retired participants and beneficiaries added to and removed from rolls

Date (as of June 30)	Added to Rolls		Removed from Rolls		Rolls-End of Year		% Increase in Annual Allowances	Average Annual Allowances
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
1996	Plan established July 1, 1996							
1997	0	\$0	0	\$0	0	\$0	na	na
1998	0	0	0	0	0	0	na	na
1999	0	0	0	0	0	0	na	na

Table 14 Solvency test

Valuation Date (as of June 30)	Aggregate Accrued Liabilities For			Actuarial Value of Assets	Funding of Liabilities			
	(1) Active Member Contributions On Deposit	(2) Future Benefits to Benefit Recipients	(3) Service Already Rendered by Active Members		(1)	(2)	(3)	
1996	Plan established July 1, 1996							
1997	\$164,078	\$0	\$0	\$(393,000)	-240.0%	na	na	
1998	\$1,727,705	\$0	\$0	\$2,083,000	120.6%	na	na	
1999	\$5,000,613	\$0	\$0	\$5,224,000	104.4%			

Table 15 Analysis of financial experience

	Actuarial Valuation as of June 30	
	1999	1998
Actuarial Accrued Liability	\$5,000,613	\$1,727,705
Actuarial Value of Assets	\$5,224,000	790,000 ⁽¹⁾
Unfunded Actuarial Accrued Liability (UAAL)	\$223,387	\$ 937,705
Funded Ratio	104%	46%

(1) Reflects a \$1,293,000 loan from the Teacher's Retirement Fund that was discharged subsequent to the June 30, 1998 actuarial valuation. The result of the loan discharge provided a UAAL of (\$355,295) and a funded ratio of 121 percent. The loan discharge was effective January 1, 1999.

When an employer first elects to offer the program, employees employed to perform creditable service, and whose basis of employment (employee's formal contract) is less than 50 percent of the full-time equivalent for the position, become participants on the later of: (1) the first day in which creditable service is performed or (2) the effective date of the employer's governing board's action to provide the CB Benefit Program.

Elections

Employees have the right to elect coverage under either Social Security or an alternative plan in lieu of the CB Benefit Program if the employer's governing board's action provides for these options.

An election to participate in either Social Security or an alternative plan does not prevent an employee from electing to participate in the CB Benefit Program at a later date, as long as the CB Benefit Program is provided by the employer and the employee is eligible to participate in the program.

Discontinued eligibility

Employees shall cease contributing to the CB Benefit Program and become mandatory members of the CalSTRS Defined Benefit Program when the basis of employment (formal contract) changes to 50 percent or more of the full-time equivalent for the position, OR upon election to the CalSTRS DB Program, which may occur at any time.

Contributions

Each employer contributes a minimum of 4 percent of salary on behalf of each participating employee. Through the collective bargaining process, employers are permitted to pay different levels of employee and employer contributions, as long as the following conditions are met:

- 1) The sum of the employee and employer contributions equals or exceeds 8 percent of employee salary.
- 2) The employee and employer contribution rates are the same for each participant employed by the employer.
- 3) The contribution rates as determined under the collective bargaining agreement become effective on the first day of the program year and remain in effect for at least one program year.

Vesting

A participant has an immediate vested right to a retirement benefit equal to the sum of the balance of contributions, including any compounded interest earned on his or her employee and employer accounts.

Guaranteed Interest Rate

The CB Benefit Program has a guaranteed interest rate that is determined annually by the Teachers' Retirement Board. The rate is based on the average of thirty-year U.S. Treasury notes for the 12 months immediately preceding month before the rate is set.

Program Investments

CB Benefit Program contributions are invested at the direction of the board in internally pooled portfolios of the Teachers' Retirement Fund. The program has ownership of units of these pooled portfolios, which reflect market fluctuations of underlying securities on a daily basis. Units are purchased using the current market value per unit. Unitized funds are accounted for on a multiple class level, which entails the sharing of one portfolio by two or more owners. Income and portfolio level expenses are distributed to each class level on a pro rata basis determined by the amount of units owned as a percentage of the total units of the portfolio.

Gain and Loss Reserve

Funds accumulate in a gain and loss reserve to credit interest to participants' employee and employer accounts during years when the rate of return on investments is less than the guaranteed interest rate. Annual additions to the reserve are determined by the board on earnings in excess of those needed to credit the guaranteed interest rate and pay administrative costs. The gain and loss reserve will also be used to ensure adequate funds are available in the annuitant reserve for monthly annuity payments.

Additional Earnings Credit

After the end of the program year, when the total investment earnings for the immediately preceding program year are known, the board may declare an additional earnings credit. Any additional earnings credit will be applied to participants' employee and employer accounts.

Retirement Eligibility

Normal retirement age is 60, but a CB participant may retire as early as age 55. A participant must terminate all creditable service in the CB Benefit Program and apply for a retirement benefit.

Distribution of a retirement benefit must begin by age 70 1/2, unless the participant is still working.

Retirement Benefit

The normal retirement benefit is a lump-sum benefit equal to the balance of credits in the participant's employee and employer accounts. The lump-sum payment may be eligible to roll over into an IRA, defined contribution plan or other eligible retirement plan that accepts such a rollover.

or

The participant may choose one of the following five annuities, if the participant's balance is \$3,500 or more: a single life annuity with a cash refund feature, a single life annuity without a cash refund feature, a 100 percent joint and survivor annuity, a 50 percent joint and survivor annuity, or a period-certain annuity.

Disability Eligibility

A participant may apply for disability at any time. All creditable service subject to coverage by the CB Benefit Program must be terminated prior to the disability date. A disability benefit will become payable only upon determination by the board that the participant has a total and permanent disability.

Disability Benefit

The normal distribution is a lump-sum benefit. The benefit amount is equal to the balance of contributions, interest and additional earnings credits in the participant's employee and employer accounts. There is also an annuity available in the same five retirement benefit options as long as the participant's account balance is \$3,500 or more.

Death Benefit*Death of Participant Prior to Retirement*

The normal distribution is a lump-sum benefit. The sum of the balance of credits in the participant's employee and employer accounts is payable to the named beneficiary. If no valid beneficiary is designated, the lump-sum payment will be paid to the participant's estate.

Surviving Spouse

If a participant's surviving spouse is the only beneficiary to whom a death benefit is payable, the spouse may elect to receive the benefit in the form of an annuity, provided the sum of the balance of credits in the participant's employee and employer accounts equals or exceeds \$3,500. The surviving spouse may elect either a single life annuity without a cash refund feature or a period-certain annuity.

Death of Participant Receiving Annuity

The benefit payable will be in accordance with the form of annuity elected by the participant.

Termination Benefit (Refunds)

Upon termination of all creditable service for any reason other than death, disability or retirement, a participant may apply for a lump-sum termination benefit. The benefit amount is equal to the sum of the employee and employer accounts, plus compounded interest as of the date the benefit is paid.

Five-Year Rule

A participant may not apply for a termination benefit if less than five years has elapsed following the date the most recent termination benefit was distributed to the participant.

Waiting Period

The termination benefit is payable after one year has elapsed following the date of termination of employment. The application for the termination benefit will be automatically canceled if the participant performs creditable service within one year following the date of applying for the termination benefit.

Changes in Program Provisions

There have been no program amendments that would affect an actuarial valuation of CalSTRS since the last annual financial report was issued. All program provisions were considered in the completion of the June 30, 1999 actuarial valuation.



STATISTICAL

“The events and developments of the year mark a threshold for CalSTRS. Thanks to excellent investment returns and the achievement of a fully funded status, CalSTRS is entering a time of increased opportunities for the members.”

—James D. Mosman

DEFINED BENEFIT PROGRAM

Note: Supplemental statistical tables are available upon request to the Public Service Office at 1-800-228-5455.

Table 1 Schedule of revenues by source (millions)

Fiscal Year Ending June 30	Member Contributions	Employer Contributions	Percentage of Annual Covered Payroll	Investment Income	State of California (1)	Other Income	Total (2)
2000	\$1,532.4	\$1,590.8	8.25%	\$12,690.6	\$939.2	\$0.2	\$16,753.2
1999 ⁽³⁾	1,424.1	1,475.7	8.25	11,797.8	350.1	1.3 ⁽⁴⁾	15,049.0
1998	1,302.8	1,371.4	8.25	12,949.5	1,004.6	0.7	16,629.0
1997	1,195.8	1,250.0	8.25	11,018.8	872.4	0.7	14,337.7
1996	1,089.0	1,140.8	8.25	7,463.7	754.8	0.1	10,448.4
1995	1,027.4	1,070.1	8.25	8,066.9	733.1	1.8	10,899.3
1994	1,003.1	1,068.4	8.25	3,125.5	758.6	14.5	5,970.1

(1) Includes Elder Full Funding, SBMA contributions and school lands revenue.

(2) GASB 25, which required reporting of investments at fair value, was adopted in 1995. Investments are stated at cost for 1994 and prior years.

(3) Includes member/participant contributions and investment income received during 1/1/99 to 6/30/99 for Cash Balance Benefit Program.

(4) Equity transfer from CB Plan recorded at fund closure \$1,285,093.

Table 2 Expenses by type (millions)

Fiscal Year Ending June 30	Benefit Payments	Administrative Expenses	Refunds	Misc. (1)	Total
2000	\$3,625.7	\$50.5	\$80.0	\$0.0	\$3,756.2
1999 ⁽²⁾	3,343.1	45.0	74.6	0.0	3,462.7
1998	3,103.2	36.3	69.0	0.0	3,208.5
1997	2,912.3	37.1	65.9	0.0	3,015.3
1996	2,749.7	36.2	69.2	0.0	2,855.1
1995	2,567.7	34.0	66.8	0.0	2,668.5
1994	2,389.9	31.0	61.4	0.9	2,483.2

(1) Payments made by the system to a district maintaining a local retirement system equal to the pension (public) portion of allowance paid the local system during the previous year.

(2) Includes administrative expenses paid from 1/1/99 to 6/30/99 for Cash Balance Benefit Program. These were adjusted in the subsequent year.

Table 3 Schedule of benefit expenses by type (millions)

Fiscal Year Ending June 30	Age & Service Benefits			Disability Benefits		Refunds		Total
	Retired Members	Survivors	Death in Service Benefits (1)	Retired Members	Survivors (2)	Death	Separation	
2000	\$3,459.6	\$33.7	\$26.8	\$79.0	\$1.1	\$26.4	\$80.0	\$3,706.6
1999 ⁽³⁾	3,180.5	31.8	32.8	73.2	1.2	23.6	74.6	3,417.7
1998	2,953.7	30.3	29.6	66.5	1.0	22.1	69.0	3,172.2
1997	2,770.0	28.9	32.2	59.4	0.8	21.3	65.9	2,978.5
1996	2,616.4	26.2	31.4	53.0	0.6	22.1	69.2	2,818.9
1995	2,449.6	24.1	27.0	45.9	0.4	20.4	66.6	2,634.0
1994	2,283.9	23.0	24.2	39.7	0.2	19.8	61.4	2,452.2
1993	2,096.2	21.3	13.0	34.1	0.1	16.8	68.3	2,249.8
1992	1,732.2	19.8	13.5	30.7	0.0	13.5	56.6	1,866.3
1991	1,537.8	18.1	10.7	29.4	0.0	11.8	51.7	1,659.5
1990	1,412.0	17.6	11.8	27.7	0.0	13.6	50.4	1,533.1
1989	1,292.3	16.5	10.2	24.7	0.0	11.3	45.5	1,400.5
1988	1,168.4	16.2	8.8	24.2	0.0	10.6	45.0	1,273.2

(1) Lump-sum death benefit payment was increased from \$2,000 to \$5,000 and implemented in the 1993–94 fiscal year

(2) Amounts paid for disability benefits to survivors was included with amounts paid to members retired for disability until October 16, 1992, when CalSTRS' law changed disability qualifications and how benefits were paid. After that date, new benefits to survivors were recorded and tracked as a separate benefit type.

(3) Includes refund payments distributed from 1/1/99 to 6/30/99 for Cash Balance Benefit Program

Table 4 Members retired for service during fiscal year 1999–2000 classified by unmodified allowance

Monthly Unmodified Allowance	Count	Average Age at Retirement	Average Service Credit	Average Final Compensation	Average Allowance Payable
Less than \$500	505	61.3	9.353	\$2,653	\$558
500–1000	607	60.4	12.077	3,372	719
1000–1500	646	60.1	16.577	4,155	1,202
1500–2000	687	60.2	21.019	4,463	1,682
2000–2500	729	60.0	24.850	4,666	2,162
2500–3000	767	60.4	28.412	4,795	2,626
3000–3500	834	61.1	31.049	4,845	3,096
3500–4000	937	61.9	33.326	4,991	3,554
4000–4500	734	62.4	35.328	5,231	3,982
4500–5000	480	63.0	37.326	5,392	4,409
More than \$5000	630	63.7	38.856	6,452	5,503
Totals	7,556	61.3*	26.808*	\$4,688*	\$2,734*

(Does not include formerly disabled members)

*Overall averages

Table 5 Members retired for service during fiscal year 1999–00 classified by age and joint and survivor annuity option elected *
(Does not include formerly disabled members)

Age	Total	Unmod.	Options							
			2	3	4	5	6	7	8	
Under 55	56	26	5	2	1	4	8	9	1	
55	253	152	24	3	1	3	29	39	2	
56	578	339	40	16	4	8	86	79	6	
57	438	247	23	14	3	2	78	70	1	
58	491	250	29	12	10	2	89	97	2	
59	536	281	24	12	4	6	114	94	1	
60	811	398	63	19	8	6	174	142	1	
61	909	424	58	24	6	6	204	180	7	
62	788	404	52	18	6	5	176	127	0	
63	576	290	29	11	5	5	133	102	1	
64	432	229	37	11	6	3	75	70	1	
65	401	218	23	13	8	3	78	56	2	
66	332	193	26	15	3	3	46	46	0	
67	226	125	12	5	1	0	41	41	1	
68	175	88	20	12	1	3	28	23	0	
69	153	92	7	7	4	2	22	18	1	
70	116	71	11	1	0	1	19	12	1	
71	82	57	5	3	1	1	6	8	1	
72	68	42	7	1	1	0	11	5	1	
73	45	31	3	2	0	0	7	2	0	
74	23	19	1	2	0	0	1	0	0	
75	18	10	2	1	0	0	2	3	0	
Over 75	49	30	7	1	1	0	4	5	1	
Age Unknown	0	0	0	0	0	0	0	0	0	
Total	7,556	4,016	508	205	74	63	1,431	1,228	31	

*See Plan Summary for description of Joint and Survivor Annuities)

Table 6 Characteristics of members going on disability Note—Some data are updated in the following year to include late approvals of disability applications

Fiscal Year Ending June 30	Count	Disability Allowance Payable	Service Credit	Final Compensation	Age at Disability
1991	306	\$1,725	17.559	\$3,178	50.1
1992	298	1,856	17.759	3,428	49.9
1993	388	1,809	16.014	3,300	50.3
1994	468	1,824	15.977	3,676	51.4
1995	469	1,851	15.914	3,656	51.3
1996	496	1,859	15.952	3,641	51.9
1997	464	1,923	15.660	3,883	52.0
1998	451	1,989	14.446	3,906	52.3
1999	414	2,114	15.630	4,027	52.2
2000	454	2,124	15.224	4,190	52.6

Table 7 Number of benefit recipients by type of benefit

Fiscal Year Ending June 30	Service Retirement	Disability Benefits	Benefits for Survivors	Total Benefit Recipients
1991	115,010	4,872	8,292	128,174
1992	118,963	4,914	8,634	132,511
1993	122,762	4,879	9,346	136,987
1994	126,476	5,126	10,271	141,873
1995	130,576	5,331	10,898	146,805
1996	133,764	5,540	11,501	150,805
1997	135,809	5,676	12,154	153,639
1998	139,193	5,758	12,796	157,747
1999	142,309	5,822	13,326	161,457
2000	145,415	5,885	13,982	165,282

Table 8 Members retired for service characteristics by year of retirement (Does not include formerly disabled members)

Effective Date of Retirement by Service Credit	Number of Retirements	Average Service Credit	Average Monthly Benefit	Average Final Compensation	Average Age At Retirement
7/1/90 thru 6/30/91	7,712	26.9	1,813	3,748	61.3
7/1/91 thru 6/30/92	6,913	26.6	2,050	3,862	61.4
7/1/92 thru 6/30/93	7,780	26.8	2,153	3,960	61.3
7/1/93 thru 6/30/94	7,152	27.0	2,187	4,043	60.9
7/1/94 thru 6/30/95	7,140	26.5	1,984	4,030	61.1
7/1/95 thru 6/30/96					
0 - 5	68	2.5	\$ 241	—	—
5 - 10	474	7.3	395	—	—
10 - 15	514	12.4	763	—	—
15 - 20	639	17.6	1,222	—	—
20 - 25	883	22.6	1,663	—	—
25 - 30	1,298	27.7	2,171	—	—
30 - 35	1,660	32.4	2,662	—	—
35 - 40	1,213	37.1	3,393	—	—
40 & over	236	42.1	4,107	—	—
Total	6,985	26.6	\$2,171	\$4,110	61.3
7/1/96 thru 6/30/97					
0 - 5	50	2.4	\$ 292	—	—
5 - 10	419	7.3	398	—	—
10 - 15	480	12.4	769	—	—
15 - 20	526	17.6	1,245	—	—
20 - 25	790	22.6	1,724	—	—
25 - 30	1,066	27.6	2,251	—	—
30 - 35	1,447	32.5	2,722	—	—
35 - 40	1,026	37.2	3,443	—	—
40 & over	207	42.0	4,080	—	—
Total	6,011	26.6	\$2,210	\$4,206	60.9

Table 8 continued: Members retired for service characteristics by year of retirement (Does not include formerly disabled members)

Effective Date of Retirement by Service Credit	Number of Retirements	Average Service Credit	Average Monthly Benefit	Average Final Compensation	Average Age At Retirement
7/1/97 thru 6/30/98					
0 - 5	73	2.5	\$ 298	—	—
5 - 10	530	7.4	414	—	—
10 - 15	572	12.6	834	—	—
15 - 20	581	17.7	1,280	—	—
20 - 25	884	22.6	1,811	—	—
25 - 30	1,356	27.7	2,331	—	—
30 - 35	1,799	32.5	2,817	—	—
35 - 40	1,259	37.2	3,548	—	—
40 & over	278	42.0	4,251	—	—
Total	7,332	26.8	\$2,310	\$4,345	60.8
7/1/98 thru 6/30/99					
0 - 5	72	2.8	\$ 355	—	—
5 - 10	459	7.6	491	—	—
10 - 15	611	12.6	959	—	—
15 - 20	644	17.5	1,394	—	—
20 - 25	806	22.6	1,999	—	—
25 - 30	1,081	27.6	2,574	—	—
30 - 35	1,852	32.5	3,237	—	—
35 - 40	1,312	37.2	4,093	—	—
40 & over	411	42.6	5,147	—	—
Total	7,248	27.2	\$2,706	\$4,541	61.2
7/1/99 thru 6/30/2000					
0 - 5	92	2.2	\$ 279	—	—
5 - 10	519	7.6	504	—	—
10 - 15	658	12.5	994	—	—
15 - 20	694	17.6	1,512	—	—
20 - 25	900	22.5	2,099	—	—
25 - 30	960	27.4	2,733	—	—
30 - 35	1,968	32.5	3,487	—	—
35 - 40	1,382	37.1	4,495	—	—
40 & over	383	42.3	5,532	—	—
Total	7,556	26.8	\$2,872	\$4,688	61.13

Participating Employers

Alameda County

K-12

County Superintendent
Alameda Unified
Albany Unified
Berkeley Unified
Castro Valley Unified
Dublin Unified
Emery Unified
Fremont Unified
Hayward Unified
Livermore Valley Joint Unified
Mountain House Elementary
New Haven Unified
Newark Unified
Oakland Unified
Piedmont City Unified
Pleasanton Unified
San Leandro Unified
San Lorenzo Unified
Sunol Glen Unified

Community Colleges

Chabot Las Positas
Fremont Newark
Peralta Community

Alpine County

K-12

County Superintendent
Alpine County Unified

Amador County

K-12

County Superintendent
Amador County Unified

Butte County

K-12

County Superintendent
Bangor Union Elementary
Biggs Unified
Chico Unified
Durham Unified
Feather Falls Union
Golden Feather Union
Gridley Unified
Manzanita Elementary
Oroville City Elementary
Oroville Union High
Palermo Union
Paradise Unified

Pioneer Union Elementary
Thermalito Union

Community Colleges

Butte

Calaveras County

K-12

County Superintendent
Bret Harte Union High
Calaveras Unified
Mark Twain Union Elementary
Vallecito Union Elementary

Colusa County

K-12

County Superintendent
Colusa Unified
Maxwell Unified
Pierce Joint Unified
Williams Unified

Contra Costa County

K-12

County Superintendent
Acalanes Union High
Antioch Unified
Brentwood Union
Byron Union Elementary
Canyon Elementary
John Swett Unified
Knightsen Elementary
Lafayette Elementary
Liberty Union High
Martinez Unified
Moraga Elementary
Mt. Diablo Unified
Oakley Union Elementary
Orinda Union Elementary
Pittsburg Unified
San Ramon Valley Unified
Walnut Creek Elementary
West Contra Costa Unified

Community Colleges

Contra Costa

Del Norte County

K-12

County Superintendent
Del Norte County Unified

El Dorado County

K-12

County Superintendent
Black Oak Mine Unified
Buckeye Union Elementary
Camino Union Elementary

El Dorado Union High
Gold Oak Union
Gold Trail Union
Indian Diggings Elementary
Lake Tahoe Unified
Latrobe
Mother Lode Union Elementary
Pioneer Union Elementary
Placerville Union Elementary
Pollock Pines Elementary
Rescue Union Elementary
Silver Fork Elementary

Community Colleges

Lake Tahoe

Fresno County

K-12

County Superintendent
Alvina Elementary
American Union Elementary
Big Creek Elementary
Burrel Union Elementary
Caruthers Union Elementary
Caruthers Union High
Central Unified
Clay Joint Elementary
Clovis Unified
Coalinga/Huron Joint Unified
Firebaugh-Las Deltas Unified
Fowler Unified
Fresno Unified
Golden Plains Unified
Kerman Unified
Kings Canyon Joint Unified
Kingsburg Joint Union Elementary/Kingsburg Elementary Community Charter High
Laton Joint Unified
Mendota Unified
Monroe Elementary
Orange Center
Pacific Union Elementary
Parlier Unified
Pine Ridge Elementary
Raisin City Elementary
Riverdale Joint Unified
Sanger Unified
Selma Unified
Sierra Unified
Washington Colony Elementary
Washington Union High
West Fresno Elementary

West Park Elementary
Westside Elementary

Community Colleges

State Center
West Hills

Glenn County

K-12

County Superintendent
Capay Joint Union Elementary
Hamilton Union Elementary
Hamilton Union High
Lake Elementary
Orland Joint Unified
Plaza Elementary
Princeton Joint Unified
Stony Creek Joint Unified
Willows Unified

Humboldt County

K-12

County Superintendent
Arcata Elementary
Big Lagoon Union Elementary
Blue Lake Union Elementary
Bridgeville Elementary
Cuddeback Union Elementary
Cuttan Elementary
Eureka City Schools
Ferndale Unified
Fieldbrook Elementary
Fortuna Union Elementary
Fortuna Union High
Freshwater Elementary
Garfield Elementary
Green Point Elementary
Hydesville Elementary
Jacoby Creek Elementary
Klamath-Trinity Joint Unified
Kneeland Elementary
Loleta Union Elementary
Maple Creek Elementary
Mattole Unified
McKinleyville Union Elementary
Northern Humboldt Union High
Orick Elementary
Pacific Union Elementary
Peninsula Union Elementary
Rio Dell Elementary
Rohnerville Elementary
Scotia Union Elementary
South Bay Union Elementary

Southern Humboldt
Joint Unified
Trinidad Union Elementary

Community Colleges
Redwoods

Imperial County
K-12

County Superintendent
Brawley Elementary
Brawley Union High
Calexico Unified
Calipatria Unified
Central Union High
El Centro Elementary
Heber Elementary
Holtville Unified
Imperial Unified
Magnolia Union Elementary
McCabe Union Elementary
Meadows Union Elementary
Mulberry Elementary
San Pasqual Valley Unified
Seeley Union Elementary
Westmorland Union
Elementary

Community Colleges
Imperial

Inyo County
K-12

County Superintendent
Big Pine Unified
Bishop Joint Union High
Bishop Union Elementary
Death Valley Unified
Lone Pine Unified
Owens Valley Unified
Round Valley Joint
Elementary

Kern County
K-12

County Superintendent
Arvin Union Elementary
Bakersfield City Elementary
Beardsley Elementary
Belridge Elementary
Blake Elementary
Buttonwillow Union
Elementary
Caliente Union Elementary
Delano Joint Union High
Delano Union Elementary
Di Giorgio Elementary
Edison Elementary
El Tejon Unified
Elk Hills Elementary
Fairfax Elementary

Fruitvale Elementary
General Shafter Elementary
Greenfield Union
Kern Union High
Kernville Union Elementary
Lakeside Union Elementary
Lamont Elementary
Linns Valley-Poso Flat
Union Elementary
Lost Hills Union
Elementary
Maple Elementary
Maricopa Unified
McFarland Unified
McKittrick Elementary
Midway Elementary
Mojave Unified
Muroc Joint Unified
Norris
Panama-Buena Vista Union
Pond Union Elementary
Richland-Lerdo Elementary
Rio Bravo-Greeley Union
Elementary
Rosedale Union Elementary
Semitropic Elementary
Sierra Sands Unified
South Fork Union
Southern Kern Unified
Standard Elementary
Taft City Elementary
Taft Union High
Tehachapi Unified
Vineland Elementary
Wasco Union Elementary
Wasco Union High

Community Colleges
Kern
Westkern

Kings County
K-12

County Superintendent
Armona Union Elementary
Central Union Elementary
Corcoran Joint Unified
Delta View Joint Union
Elementary
Hanford Elementary
Hanford Joint Union High
Island Union Elementary
Kings River-Hardwick
Union Elementary
Kit Carson Union
Elementary
Lakeside Union Elementary
Lemoore Union Elementary
Lemoore Union High
Pioneer Union Elementary
Reef-Sunset Unified

Lake County
K-12

County Superintendent
Kelseyville Unified
Konocti Unified
Lakeport Unified
Lucerne Elementary
Middleton Unified
Upper Lake Union
Elementary
Upper Lake Union High

Lassen County
K-12

County Superintendent
Big Valley Joint Unified
Fort Sage Unified
Janesville Union Elemen-
tary
Johnstonville Elementary
Lassen Union High
Ravendale-Termo
Elementary
Richmond Elementary
Shaffer Union
Susanville
Westwood Unified

Community Colleges
Lassen

Los Angeles County
K-12

Los Angeles County
Office of Education
ABC Unified
Acton-Agua Dulce Unified
Alhambra City Elementary
Alhambra City High
Antelope Valley Union High
Arcadia Unified
Azusa Unified
Baldwin Park Unified
Bassett Unified
Bellflower Unified
Beverly Hills Unified
Bonita Unified
Burbank Unified
Castaic Union
Centinela Valley
Union High
Charter Oak Unified
Claremont Unified
Compton Unified
Covina-Valley Unified
Culver City Unified
Downey Unified
Duarte Unified
East Whittier City
Elementary

Eastside Union
El Monte City
El Monte Union High
El Rancho Unified
El Segundo Unified
Garvey Elementary
Glendale Unified
Glendora Unified
Gorman Elementary
Hacienda La Puente Unified
Hawthorne
Hermosa Beach City
Elementary
Hughes-Elizabeth Lakes
Union Elementary
Inglewood Unified
Keppel Union Elementary
La Canada Unified
Lancaster Elementary
Las Virgenes Unified
Lawndale Elementary
Lennox Elementary
Little Lake City Elementary
Long Beach Unified
Los Angeles Unified
Los Nietos Elementary
Lowell Joint Elementary
Lynwood Unified
Manhattan Beach Unified
Monrovia Unified
Montebello Unified
Mountain View Elementary
Newhall Elementary
Norwalk-La Mirada Unified
Palmdale Elementary
Palos Verdes Peninsula
Unified
Paramount Unified
Pasadena Unified
Pomona Unified
Redondo Beach Unified
Rosemead Elementary
Rowland Unified
San Gabriel Unified
San Marino Unified
Santa Monica-Malibu
Unified
Saugus Union Elementary
South Pasadena Unified
South Whittier Elementary
Sulphur Springs Union
Elementary
Temple City Unified
Torrance Unified
Valle Lindo Elementary
Walnut Valley Unified
West Covina Unified
Westside Union Elementary
Whittier City

Whittier Union High
William S. Hart Union High
Wilsona
Wisburn Elementary

Community Colleges

Antelope Valley
Cerritos
Citrus
Compton
El Camino
Glendale
Long Beach
Los Angeles
Mt San Antonio
Pasadena Area
Rio Hondo
Santa Clarita
Santa Monica

Madera County

K-12

County Superintendent
Alview-Dairyland Union
Elementary
Bass Lake Joint Union
Elementary
Chawanakee Joint
Chowchilla Elementary
Chowchilla Union High
Coarsegold Union
Madera Unified
Minarets Joint Union High
Raymond-Knowles Union
Elementary
Yosemite Union High

Marin County

K-12

County Superintendent
Bolinas-Stinson Union
Elementary
Dixie Elementary
Kentfield Elementary
Laguna Joint Elementary
Lagunitas Elementary
Larkspur Elementary
Lincoln Elementary
Mill Valley Elementary
Nicasio Elementary
Novato Unified
Reed Union Elementary
Ross Elementary
Ross Valley
San Rafael City Elementary
San Rafael City High
Sausalito Elementary
Shoreline Unified
Tamalpais Union High
Union Joint Elementary

Community Colleges

College of Marin

Mariposa County

K-12

County Office of Education
Mariposa County Unified

Mendocino County

K-12

County Superintendent
Anderson Valley Unified
Arena Union Elementary
Fort Bragg Unified
Laytonville Unified
Leggett Valley Unified
Manchester Union
Elementary
Mendocino Unified
Point Arena Joint Union
High
Potter Valley Community
Unified
Round Valley Unified
Ukiah Unified
Willits Unified

Community Colleges

Mendocino Lake

Merced County

K-12

County Superintendent
Atwater Elementary
Ballico-Cressey Elementary
Delhi Unified
Dos Palos-Oro Loma Joint
Unified
El Nido Elementary
Gustine Unified
Hilmar Unified
Le Grand Union Elementary
Le Grand Union High
Livingston Union
Los Banos Unified
McSwain Union Elementary
Merced City Elementary
Merced River Union
Elementary
Merced Union High
Plainsburg Union
Elementary
Planada Elementary
Snelling-Merced Falls
Union Elementary
Weaver Union
Winton Elementary

Community Colleges

Merced

Modoc County

K-12

County Superintendent
Modoc Joint Unified
Surprise Valley Joint
Unified
Tulelake Basin Joint
Unified

Mono County

K-12

Mono County Office of
Education
Eastern Sierra Unified
Mammoth Unified

Monterey County

K-12

County Superintendent
Alisal Union Elementary
Bradley Union Elementary
Carmel Unified
Chualar Union Elementary
Gonzales Unified
Graves Elementary
Greenfield Union
Elementary
King City Joint Union High
King City Union Elemen-
tary
Lagunita Elementary
Mission Union Elementary
Monterey Peninsula Unified
North Monterey County
Unified
Pacific Grove Unified
Pacific Unified
Salinas City Elementary
Salinas Union High
San Antonio Union
Elementary
San Ardo Union
Elementary
San Lucas Union
Elementary
Santa Rita Union
Elementary
Soledad Unified
Spreckels Union
Washington Union
Elementary

Community Colleges

Hartnell
Monterey Peninsula

Napa County

K-12

County Superintendent
Calistoga Joint Unified
Howell Mountain
Elementary
Napa Valley Unified
Pope Valley Union
St. Helena Unified

Community Colleges

Napa Valley

Nevada County

K-12

County Superintendent
Chicago Park Elementary
Clear Creek Elementary
Grass Valley Elementary
Nevada City
Nevada Joint Union High
Pleasant Ridge Union
Elementary
Pleasant Valley Elementary
Ready Springs Union
Twin Ridges Elementary
Union Hill Elementary

Orange County

K-12

County Superintendent
Anaheim City
Anaheim Union High
Brea-Olinda Unified
Buena Park Elementary
Capistrano Unified
Centralia Elementary
Cypress Elementary
Fountain Valley Elementary
Fullerton Elementary
Fullerton Joint Union High
Garden Grove Unified
Huntington Beach City
Elementary
Huntington Beach
Union High
Irvine Unified
La Habra City Elementary
Laguna Beach Unified
Los Alamitos Unified
Magnolia Elementary
Newport-Mesa Unified
Ocean View Elementary
Orange Unified
Placentia-Yorba Linda
Unified
Saddleback Valley Unified
Santa Ana Unified
Savanna Elementary
Tustin Unified
Westminster Elementary

Community Colleges

North Orange County
Rancho Santiago
South Orange

Placer County**K-12**

County Superintendent
Ackerman Elementary
Alta-Dutch Flat Union
Elementary
Auburn Union Elementary
Colfax Elementary
Dry Creek Joint Elementary
Emigrant Gap Elementary
Eureka Union Elementary
Foresthill Union Elementary
Loomis Union Elementary
Newcastle Elementary
Ophir Elementary
Penryn Elementary
Placer Hills Union
Elementary
Placer Union High
Rocklin Unified
Roseville City Elementary
Roseville Joint Union High
Tahoe-Truckee Unified
Western Placer Unified

Community Colleges

Sierra Joint

Plumas County**K-12**

County Superintendent
Plumas Unified

Riverside County**K-12**

County Superintendent
Alvord Unified
Banning Unified
Beaumont Unified
Coachella Valley Unified
Corona-Norco Unified
Desert Center Unified
Desert Sands Unified
Hemet Unified
Jurupa Unified
Lake Elsinore Unified
Menifee Union Elementary
Moreno Valley Unified
Murrieta Valley Unified
Nuvview Union
Palm Springs Unified
Palo Verde Unified
Perris Elementary
Perris Union High

Riverside Unified
Romoland Elementary
San Jacinto Unified
Temecula Valley Unified
Val Verde Unified

Community Colleges

Desert
Mt San Jacinto
Palo Verde
Riverside

Sacramento County**K-12**

County Superintendent
Arcohe Union Elementary
Center Unified
Del Paso Heights
Elementary
Elk Grove Unified
Elverta Joint Elementary
Folsom-Cordova Unified
Galt Joint Union
Elementary
Galt Joint Union High
Grant Joint Union High
Natomas Unified
North Sacramento
Elementary
Rio Linda Union
Elementary
River Delta Unified
Robla Elementary
Sacramento City Unified
San Juan Unified

Community Colleges

Los Rios

San Benito County**K-12**

County Superintendent
Aromas/San Juan Unified
Bitterwater-Tully Union
Elementary
Cienega Union Elementary
Hollister Elementary
Jefferson Elementary
North County Joint Union
Elementary
Panoche Elementary
San Benito High
Southside Elementary
Tres Pinos Union
Elementary
Willow Grove Union
Elementary

San Bernardino County**K-12**

County Office of San
Bernardino
Adelanto Elementary
Alta Loma Elementary
Apple Valley Unified
Baker Valley Unified
Barstow Unified
Bear Valley Unified
Central Elementary
Chaffey Joint Union High
Chino Valley Unified
Colton Joint Unified
Cucamonga Elementary
Etiwanda Elementary
Fontana Unified
Helendale
Hesperia Unified
Lucerne Valley Unified
Morongo Unified
Mountain View
Elementary
Mt. Baldy Joint Elementary
Needles Unified
Ontario-Montclair
Oro Grande Elementary
Redlands Unified
Rialto Unified
Rim Of The World Unified
San Bernardino City
Unified
Silver Valley Unified
Snowline Joint Unified
Trona Joint Unified
Upland Unified
Victor Elementary
Victor Valley Union High
Yucaipa-Calimesa Joint
Unified

Community Colleges

Barstow
Chaffey
San Bernardino
Victor Valley

San Diego County**K-12**

County Superintendent
Alpine Union
Bonsall Union Elementary
Borrego Springs Unified
Cajon Valley Union
Elementary
Cardiff Elementary
Carlsbad Unified
Chula Vista Elementary
Coronado Unified
Dehesa
Del Mar Union

Encinitas Union Elementary
Escondido Union
Elementary
Escondido Union High
Fallbrook Union Elementary
Fallbrook Union High
Grossmont Union High
Jamul-Dulzura Union
Elementary
Julian Union Elementary
Julian Union High
La Mesa-Spring Valley
Lakeside Union Elementary
Lemon Grove Elementary
Mountain Empire Unified
National
Oceanside Unified
Pauma Elementary
Poway Unified
Ramona Unified
Rancho Santa Fe
Elementary
San Diego City Unified
San Dieguito Union High
San Marcos Unified
San Pasqual Union
San Ysidro Elementary
Santee Elementary
Solana Beach Elementary
South Bay Union
Elementary
Spencer Valley Elementary
Sweetwater Union High
Vallecitos
Valley Center Union
Elementary
Vista Unified
Warner Unified

Community Colleges

Grossmont Cuyamaca
Miracosta
Palomar
San Diego
Southwestern

San Francisco County**K-12**

San Francisco County
Office of Education
San Francisco Unified

Community Colleges

City College of
San Francisco

San Joaquin County

K-12

County Superintendent
Banta Elementary
Delta Island Union
Elementary
Escalon Unified
Holt Union Elementary
Jefferson Elementary
Lammersville Elementary
Lincoln Unified
Linden Unified
Lodi Unified
Manteca Unified
New Hope Elementary
New Jerusalem Elementary
Oak View Union
Elementary
Ripon Unified
Stockton Unified
Tracy Joint Unified

Community Colleges

San Joaquin Delta

San Luis Obispo County

K-12

County Superintendent
Atascadero Unified
Cayucos Elementary
Coast Unified
Lucia Mar Unified
Paso Robles Joint Unified
Pleasant Valley Joint Union
Elementary
San Luis Coastal Unified
San Miguel Joint Union
Elementary
Shandon Joint Unified
Templeton Unified

Community Colleges

San Luis Obispo County

San Mateo County

K-12

County Superintendent
Bayshore Elementary
Belmont Redwood Shores
Elementary
Brisbane Elementary
Burlingame Elementary
Cabrillo Unified
Hillsborough City
Jefferson Elementary
Jefferson Union High
La Honda-Pescadero
Unified
Laguna Salada Union
Elementary

Las Lomas Elementary
Menlo Park City
Elementary
Millbrae Elementary
Portola Valley Elementary
Ravenswood City
Elementary
Redwood City Elementary
San Bruno Park Elementary
San Carlos Elementary
San Mateo-Foster City
San Mateo Union High
Sequoia Union High
South San Francisco
Unified
Woodside Elementary

Community Colleges

San Mateo

Santa Barbara County

K-12

County Superintendent
Ballard
Blochman Union
Elementary
Buellton Union Elementary
Carpinteria Unified
Casmalia Elementary
Cold Spring Elementary
College Elementary
Cuyama Joint Unified
Goleta Union Elementary
Guadalupe Union
Elementary
Hope Elementary
Lompoc Unified
Los Alamos Elementary
Los Olivos Elementary
Montecito Union
Elementary
Orcutt Union Elementary
Santa Barbara Elementary
Santa Barbara High
Santa Maria-Bonita
Santa Maria Joint
Union High
Santa Ynez Valley
Union High
Solvang Elementary
Vista Del Mar Union
Elementary

Community Colleges

Allan Hancock Joint
Santa Barbara

Santa Clara County

K-12

County Superintendent
Alum Rock Union
Elementary
Berryessa Union Elemen-
tary
Cambrian Elementary
Campbell Union
Elementary
Campbell Union High
Cupertino Union
East Side Union High
Evergreen Elementary
Franklin-Mckinley
Elementary
Fremont Union High
Gilroy Unified
Lakeside Joint
Loma Prieta Joint Union
Elementary
Los Altos Elementary
Los Gatos Union
Elementary
Los Gatos-Saratoga Joint
Union High
Luther Burbank
Milpitas Unified
Montebello Elementary
Moreland Elementary
Morgan Hill Unified
Mountain View Elementary
Mountain View-Los Altos
Union High
Mt. Pleasant Elementary
Oak Grove Elementary
Orchard
Palo Alto Unified
San Jose Unified
Santa Clara Unified
Saratoga Union Elementary
Sunnyvale Elementary
Union Elementary
Whisman Elementary

Community Colleges

Foothill Deanza
Gavilan Joint
San Jose Evergreen
West Valley Mission

Santa Cruz County

K-12

County Superintendent
Bonny Doon Union
Elementary
Happy Valley Elementary
Live Oak Elementary
Mountain Elementary
Pacific Elementary
Pajaro Valley Unified

San Lorenzo Valley Unified
Santa Cruz City
Elementary
Santa Cruz City High
Scotts Valley Unified
Soquel Union Elementary

Community Colleges

Cabrillo

Shasta County

K-12

County Superintendent
Anderson Union High
Bella Vista Elementary
Black Butte Union Elemen-
tary
Cascade Union Elementary
Castle Rock Union
Elementary
Columbia Elementary
Cottonwood Union
Elementary
Enterprise Elementary
Fall River Joint Unified
French-Gulch Whiskeytown
Elementary
Gateway Unified
Grant Elementary
Happy Valley Union
Elementary
Igo, Ono, Platina Union
Elementary
Indian Springs Elementary
Junction Elementary
Millville Elementary
Mountain Union
Elementary
North Cow Creek
Elementary
Oak Run Elementary
Pacheco Union Elementary
Redding Elementary
Shasta Union Elementary
Shasta Union High
Whitmore Union
Elementary

Community Colleges

Shasta-Tehema-Trinity

Sierra County

K-12

County Superintendent
Sierra-Plumas Joint Unified

Community Colleges

Sierra

Siskiyou County**K-12**

County Superintendent
 Big Springs Union
 Elementary
 Bogus Elementary
 Butte Valley Unified
 Butteville Union
 Elementary
 Delphic Elementary
 Dunsmuir Elementary
 Dunsmuir Joint Union
 High
 Etna Union Elementary
 Etna Union High
 Forks of Salmon
 Elementary
 Fort Jones Union
 Elementary
 Gazelle Union Elementary
 Grenada Elementary
 Happy Camp Union
 Elementary
 Hornbrook Elementary
 Junction Elementary
 Klamath River Union
 Elementary
 Little Shasta Elementary
 McCloud Union
 Elementary
 Montague Elementary
 Mt Shasta Union
 Quartz Valley Elementary
 Sawyers Bar Elementary
 Seiad Elementary
 Siskiyou Union High
 Weed Union Elementary
 Willow Creek Elementary
 Yreka Union Elementary
 Yreka Union High

Community Colleges

Siskiyou Joint

Solano County**K-12**

County Superintendent
 Benicia Unified
 Dixon Unified
 Fairfield-Suisun Unified
 Travis Unified
 Vacaville Unified
 Vallejo City Unified

Community Colleges

Solano County

Sonoma County**K-12**

County Superintendent
 Alexander Valley Union
 Elementary
 Bellevue Union Elementary
 Bennett Valley Union
 Elementary
 Cinnabar Elementary
 Cloverdale Unified
 Cotati-Rohnert Park
 Unified
 Dunham
 Forestville Union
 Elementary
 Fort Ross Elementary
 Geyserville Unified
 Gravenstein Union
 Elementary
 Guerneville Elementary
 Harmony Union
 Elementary
 Healdsburg Unified
 Horicon Elementary
 Kashia Elementary
 Kenwood Elementary
 Liberty Elementary
 Mark West Union
 Monte Rio Union
 Elementary
 Montgomery Elementary
 Oak Grove Union
 Elementary
 Old Adobe Union
 Elementary
 Petaluma City Elementary
 Petaluma Joint Union High
 Piner-Olivet Union
 Elementary
 Rincon Valley Union
 Elementary
 Roseland Elementary
 Santa Rosa Elementary,
 City of
 Santa Rosa High, City of
 Sebastopol Union
 Elementary
 Sonoma Valley Unified
 Twin Hills Union
 Elementary
 Two Rock Union
 Elementary
 Waugh Elementary
 West Side Union
 Elementary
 West Sonoma County
 Union High
 Wilmar Union Elementary
 Windsor Unified
 Wright Elementary

Community Colleges

Sonoma County Junior
 College

Stanislaus County**K-12**

County Superintendent
 Ceres Unified
 Chatom Union Elementary
 Denair Unified
 Empire Union
 Gratton Elementary
 Hart-Ransom Union
 Elementary
 Hickman Elementary
 Hughson Unified
 Keyes Union Elementary
 Knights Ferry Elementary
 La Grange Elementary
 Modesto City Elementary
 Modesto City High
 Newman-Crows Landing
 Unified
 Oakdale Joint Unified
 Paradise Elementary
 Patterson Joint Unified
 Riverbank Elementary
 Roberts Ferry Union
 Elementary
 Salida Union
 Shiloh Elementary
 Stanislaus Union
 Elementary
 Sylvan Union Elementary
 Turlock Joint Elementary
 Turlock Joint Union High
 Valley Home Joint
 Elementary
 Waterford Elementary

Community Colleges

Yosemite

Sutter County**K-12**

County Superintendent
 Brittan Elementary
 Browns Elementary
 East Nicolaus Joint Union
 High
 Franklin Elementary
 Live Oak Unified
 Marcum-Illinois Union
 Meridian Elementary
 Nuestro Elementary
 Pleasant Grove Joint Union
 Elementary
 Sutter Union High
 Winship Elementary
 Yuba City Unified

Tehama County**K-12**

County Superintendent
 Antelope Elementary
 Bend Elementary
 Corning Union Elementary
 Corning Union High
 Elkins Elementary
 Evergreen Union
 Elementary
 Fournoy Union Elementary
 Gerber Union Elementary
 Kirkwood Elementary
 Lassen View Union
 Elementary
 Los Molinos Unified
 Mantion Joint Union
 Elementary
 Mineral Elementary
 Plum Valley Elementary
 Red Bluff Joint Union High
 Red Bluff Union
 Elementary
 Reeds Creek Elementary
 Richfield Elementary

Trinity County**K-12**

County Superintendent
 Burnt Ranch Elementary
 Coffee Creek Elementary
 Cox Bar Elementary
 Douglas City Elementary
 Junction City Elementary
 Lewiston Elementary
 Mountain Valley Unified
 Southern Trinity Joint
 Unified
 Trinity Center Elementary
 Trinity Union High
 Weaverville Elementary

Tulare County**K-12**

County Superintendent
 Allensworth Elementary
 Alpaugh Unified
 Alta Vista Elementary
 Buena Vista Elementary
 Burton
 Citrus South Tule
 Elementary
 Columbine Elementary
 Cutler-Orosi Unified
 Dinuba Unified
 Ducor Union Elementary
 Earlimart Elementary
 Exeter Union Elementary
 Exeter Union High
 Farmersville Unified
 Hope Elementary

Hot Springs Elementary
 Kings River Union
 Elementary
 Liberty Elementary
 Lindsay Unified
 Monson-Sultana Joint
 Union Elementary
 Oak Valley Union
 Elementary
 Outside Creek Elementary
 Palo Verde Union
 Elementary
 Pixley Union Elementary
 Pleasant View Elementary
 Porterville Unified
 Richgrove Elementary
 Rockford Elementary
 Saucelito Elementary
 Sequoia Union Elementary
 Springville Union
 Elementary
 Stone Corral Elementary
 Strathmore Union
 Elementary
 Strathmore Union High
 Sundale Union Elementary
 Sunnyside Union
 Elementary
 Terra Bella Union
 Elementary
 Three Rivers Union
 Elementary
 Tipton Elementary
 Traver Joint Elementary
 Tulare City Elementary
 Tulare Joint Union High
 Visalia Unified
 Waukena Joint Union
 Elementary
 Woodlake Union
 Elementary
 Woodlake Union High
 Woodville Elementary

Community Colleges
 College of the Sequoias

Tuolumne County

K-12
 County Superintendent
 Belleview Elementary
 Big Oak Flat-Groveland
 Unified
 Chinese Camp Elementary
 Columbia Union
 Curtis Creek Elementary
 Jamestown Elementary
 Sonora
 Sonora Union High
 Soulsbyville Elementary
 Summerville Elementary
 Summerville Union High
 Twain Harte-Long Barn
 Union

Ventura County

K-12
 County Superintendent
 Briggs Elementary
 Conejo Valley Unified
 Fillmore Unified
 Hueneme Elementary
 Mesa Union Elementary
 Moorpark Unified
 Mupu Elementary
 Oak Park Unified
 Ocean View Elementary
 Ojai Unified
 Oxnard Elementary
 Oxnard Union High
 Pleasant Valley
 Rio Elementary
 Santa Clara Elementary
 Santa Paula Elementary
 Santa Paula Union High
 Simi Valley Unified
 Somis Union Elementary
 Ventura Unified

Community Colleges

Ventura County

Yolo County

K-12
 County Superintendent
 Davis Joint Unified
 Esparto Unified
 Washington Unified
 Winters Joint Unified
 Woodland Joint Unified

Yuba County

K-12
 County Superintendent
 Camptonville Elementary
 Marysville Joint Unified
 Plumas Elementary
 Wheatland Elementary
 Wheatland Union High

Community Colleges

Yuba

State Agencies

Board of Governors,
 California Community
 Colleges
 CSU Chico
 Department of Education
 Porterville State Hospital

Participating Employers

Alameda County

Berkeley Unified School District
 Chabot-Las Positas Community College District
 Fremont-Newark Community College District
 Peralta Community College District

Contra Costa County

Contra Costa Community College District
 West Contra Costa Unified School District

Los Angeles County

Antelope Valley Community College District
 El Camino Community College District
 Glendale Community College District

Sacramento County

Robla Unified School District

San Diego County

Grossmont Union High School District
 Mira Costa Community College District

San Francisco County

City College of San Francisco

San Mateo County

San Mateo Community College District

Santa Clara County

Foothill-DeAnza Community College District
 San Jose/Evergreen Community College District

Solano County

Solano County Community College District

Sonoma County

Montgomery Elementary School District
 Sonoma County Junior College

Ventura County

Ventura Community College District

Yuba County

Yuba Community College District

Schedule of Revenues by Source (thousands)

Fiscal Year Ending June 30	Participant Contributions	Employer Contributions	Percentage of Annual Covered Payroll	Investment Income	Other Income	Total
2000	\$2,590	\$2,365	8.09%	\$812.0	0	\$5,767.0
1999 (1)	550	560	8.00%	(183)	0	927.0
1998	772	772	8.09%	105	0	1,649.0
1997	74	74	8.00%	20.3	0	168.3

(1) 1999 figures represent period from 7/1/98 to 12/31/98 for Cash Balance Plan

Schedule of Expenses by Type (thousands)

Fiscal Year Ending June 30	Benefit Payments	Administrative Expenses	Refunds	Misc	Total
2000 (1)	\$0	\$4.8	\$58.5	(\$263.5)	(\$200.2)
1999 (2)	0	387	3.0	1,327.0 (3)	1,717.0
1998	0	397	0	69.0	466.0
1997	0	393	0	34.9	427.9

(1) 2000 represents cost savings to administrative expenses to CBBP absorbed by TRB per California Education Code.

(2) 1999 figures represent period from 7/1/98 to 12/31/98 for Cash Balance Plan

(3) Interfund interest expense on loan payable to Teachers' Retirement Fund at December 31, 1998, \$41,648. Equity transfer to Teachers' Retirement Fund recorded at fund closure \$1,285,093.

CalSTRS 403(b) Program

Schedule of Revenues by Source (thousands)

Fiscal Year Ending June 30	Participant Contributions	Interest, Dividends and Other Investment Income	Other	Total
2000	\$13,792	\$3,116	\$0	\$16,908
1999	8,675	4,121	0	12,796
1998	5,079	2,911	0	7,990
1997	3,235	1,833	0	5,068

Schedule of Expenses by Type (thousands)

Fiscal Year Ending June 30	Annuity Payments	Administrative Expenses	Refunds	Total
2000	\$250	\$275	\$2,201	\$2,726
1999	237	205	1,610	2,052
1998	165	155	1,662	1,982
1997	710	124	888	1,722

Participating Employers

Alameda County

K-12
Alameda Unified
Albany
Fremont Unified
Hayward Unified
Livermore Valley Joint
Unified
Oakland Unified
Pleasanton Unified
San Leandro Unified

Community Colleges
Chabot Las Positas
Fremont Newark
Peralta

Amador County

K-12
Amador County Unified

Butte County

K-12
County Superintendent
Bangor Union Elementary
Chico Unified
Manzanita Elementary
Palermo Union
Pioneer Union Elementary

Community Colleges
Butte

Calaveras County

K-12
County Superintendent

Colusa County

K-12
Colusa Unified

Contra Costa County

K-12
County Superintendent
Acalanes Union High
Brentwood Union
Lafayette Elementary
Mt Diablo Unified
Oakley Union Elementary
Orinda Union Elementary
Richmond Unified
Walnut Creek Elementary
West Contra Costa Unified

Community Colleges
Contra Costa

Del Norte County

K-12
County Superintendent
Del Norte County Unified

El Dorado County

K-12
El Dorado Union High
Lake Tahoe Unified
Rescue Union Elementary

Community Colleges
Lake Tahoe

Fresno County

K-12
American Union Elementary
Central Unified
Clovis Unified
Fresno Unified
Kerman Unified
Kings Canyon Joint Unified
Mendota Unified

Community Colleges
State Center

Glenn County

K-12
County Superintendent
Capay Joint Union

Elementary
Hamilton Union Elementary
Hamilton Union High
Lake Elementary
Orland Joint Union
Elementary
Orland Joint Union High
Plaza Elementary
Princeton Joint Unified
Stony Creek Joint Unified
Willows Unified

Humboldt County

K-12
South Bay Union
Elementary

Imperial County

K-12
Brawley Elementary
Calexico Unified
El Centro Elementary
Imperial Unified

Inyo County

K-12
Bishop Joint Union High

Kern County

K-12
County Superintendent
Bakersfield City Elementary
Bridgeway Elementary
Edison Elementary
El Tejon Unified
Fruitvale Elementary
Greenfield Union
Kernville Union Elementary
Lamont School District
Mojave Unified
Muroc Joint Unified
Richland-Lerdo Elementary
Rosedale Union Elementary
Sierra Sands Unified
Taft Union High

Community Colleges
Westkern

Kings County

K-12
County Superintendent
Corcoran Joint Unified
Lemoore Union High
School

Lake County

K-12

Konocti Unified
Lake County Office of
Education
Lucerne Elementary
Middletown Unified

Los Angeles County

K-12

ABC Unified
Acton-Agua Dulce Unified
Antelope Valley Union High
Arcadia Unified
Bellflower Unified
Belvedere Middle School
Bonita
Burbank Unified
Centinela Valley Union
High
Compton Unified
Covina Valley Unified
Culver City Unified
Downey
East San Gabriel ROP
Eastside Union
El Monte Union High
El Segundo Unified
Glendale Unified
Hacienda La Puente Unified
Inglewood Unified
La Canada Unified
Las Virgenes Unified
Long Beach Unified
Los Angeles Unified
Los Angeles County
Office of Education
Lynwood Unified
Manhattan Beach
Intermediate
Manhattan Elementary
Monrovia Unified
Montebello Unified
Mountain View Elementary
Newhall Elementary
Palos Verdes Peninsula
Unified
Pasadena Unified
Rosemead Elementary
Rowland Unified
San Gabriel Elementary
Santa Monica-Malibu
Unified
Santa Ynez Valley Union
High
Soledad-Agua Dulce Union
Elementary
Torrance Unified
Valle Lindo Elementary
Walnut Valley Unified
Westside Union

Whittier Union High
William S Hart Union High

Community Colleges

Antelope Valley
Cerritos
Citrus
Long Beach
Los Angeles
Santa Clarita
Santa Monica

Madera County

K-12

Yosemite Union High

Marin County

K-12

County Superintendent
Lincoln Elementary
Novato Unified
San Rafael City High

Community Colleges

College of Marin

Mendocino County

K-12

Fort Bragg Unified
Round Valley Unified
Ukiah Unified
Willits Unified

Community Colleges

Mendocino-Lake

Merced County

K-12

County Superintendent
Atwater Elementary
Ballico Cressey Elementary
Delhi Elementary
Dos Palos-Oro Loma Joint
Unified
El Nido Elementary
Gustine Unified
Hilmar Unified
Le Grand Union Elementary
Le Grand Union High
Livingston Union
Los Banos Unified
McSwain Elementary
Merced City Elementary
Merced River Union
Elementary
Merced Union High
Plainsburg Elementary
Planada Elementary
Snelling Merced Falls Union
Elementary

Weaver Union Elementary
Winton Elementary

Monterey County

K-12

Bradley Union Elementary
Carmel Unified
Greenfield Union
Elementary
North Monterey County
Unified
Santa Rita Union
Elementary
Soledad Union Elementary

Community Colleges

Monterey Peninsula

Napa County

K-12

County Superintendent
Napa Valley Unified
Pleasant Ridge Unified
Pope Valley Union
Elementary
St Helena Unified

Community Colleges

Napa Valley College

Orange County

K-12

Anaheim City
Anaheim Union High
Brea-Olinda Unified
Capistrano Unified
Newport-Mesa Unified
North Orange ROP
Ocean View Elementary
Orange Unified
Placentia-Yorba Linda
Unified
Saddleback Valley Unified
Savanna School District
Tustin Unified

Community Colleges

Coast

Placer County

K-12

Alta-Dutch Flat Union
Elementary
Penryn Elementary
Placer Union High
Roseville City Elementary

Community Colleges

Sierra College

Riverside County

K-12

Coachella Valley Unified
Hemet Unified
Palo Verde Unified
San Jacinto Unified

Community Colleges

Desert

Sacramento County

K-12

County Superintendent
Center Unified
Elk Grove Unified
Folsom Cordova Unified
Grant Joint Union High
Natomas Union Elementary
Rio Linda Union
Elementary
River Delta Joint Unified
San Juan Unified
Sacramento City Unified

Community Colleges

Los Rios

San Benito County

K-12

County Superintendent

San Bernardino County

K-12

San Bernardino COE
Adelanto Elementary
Alta Loma Elementary
Apple Valley
Baldy View ROP
Barstow Unified
Bear Valley Unified
Chaffey Union High
Chino Unified
Colton Joint Unified
Etiwanda Elementary
Fontana Unified
Helendale
Morgan Hill
Morongo Unified
Needles Unified
Ontario Montclair
Elementary
Rialto Unified
Silver Valley Unified
Upland Unified
Victor Elementary
Victor Valley Union High

Community Colleges

Chaffey
San Bernardino

Victor Valley

San Diego County

K-12

Borrego Springs Unified
County Superintendent
Cajon Valley Union
Elementary
Carlsbad Unified
Chula Vista City
Del Mar Union
Escondido Union
Elementary
Escondido Union High
Fallbrook Union
Elementary
Grossmont Union High
Julian Union Elementary
La Mesa Spring Valley
Lakeside Union Elementary
Mountain Empire Unified
Oceanside City Unified
Poway Unified
Ramona Unified
San Diego City Unified
San Marcos Unified
San Ysidro Elementary
Santee Elementary
Solana Beach Elementary
South Bay Union
Elementary
Sweetwater Union High
Vista Unified
Warner Unified

Community Colleges

Grossmont Cuyamaca
Mira Costa
San Diego

San Francisco County

K-12

San Francisco Unified

Community Colleges

San Francisco

San Joaquin County

K-12

County Superintendent
Banta Elementary
Delta Island Union
Elementary
Escalon Unified
Holt Union Elementary
Lammersville Elementary
Lincoln Unified
Lodi Unified
Manteca Unified
New Hope Elementary
Oak View Union
Elementary

Stockton City Unified
Tracy Elementary

Community Colleges

San Joaquin Delta

San Luis Obispo County

K-12

Lucia Mar Unified
Paso Robles Union
Elementary
San Luis Coastal Unified

Community Colleges

Cuesta
San Luis Obispo County

San Mateo County

K-12

Bayshore
Cabrillo Unified School
District
Hillsborough City
Jefferson Elementary
Las Lomitas Elementary
Menlo Park City
Elementary
Portola Valley Elementary
Redwood City Elementary
San Mateo City
South San Francisco
Unified

Community Colleges

San Mateo

Santa Barbara County

K-12

Cuyama Joint Unified
Goleta Union
Los Alamos Elementary
Santa Barbara County
Office of Education
Santa Maria Bonita

Santa Clara County

K-12

County Superintendent
Alum Rock Union
Elementary
Berryessa Union
Elementary
Central County Regional
Program
Cupertino Union
East Side Union High
Evergreen Elementary
Franklin McKinley
Elementary
Gilroy Unified

Los Gatos-Saratoga Joint
Union High
Milpitas Unified
Moreland Elementary
Mountain View-Los Altos
Union High
San Jose Unified
Solvang

Community Colleges

De Anza College
Foothill-De Anza
San Jose/Evergreen

Santa Cruz County

K-12

County Superintendent
Pajaro Valley Unified
San Lorenzo Valley Unified
Santa Cruz City Elementary

Community Colleges

Cabrillo

Shasta County

K-12

Enterprise School District
Millville Elementary

Community Colleges

Shasta Tehema Trinity

Sierra County

K-12

Sierra-Plumas Joint Unified

Siskiyou County

K-12

County Superintendent
Dunsmuir Joint Union
High
Etna Union High
Klamath River Union
Elementary
Mt Shasta Union

Solano County

K-12

Benicia Unified
Fairfield-Suisun Unified
Vacaville Unified
Vallejo City Unified

Sonoma County

K-12

Analy Union High
Cloverdale Unified
Cotati-Rohnert Park Unified

Fort Ross Elementary
Sebastopol Union
Elementary
Two Rock Union
Elementary
Wright Elementary

Community Colleges

Sonoma County Junior
College

Stanislaus County

K-12

Hickman Elementary
Hughson Union High
Stanislaus Union
Elementary
Turlock Joint Union High

Community Colleges

Yosemite

Sutter County

K-12

County Superintendent
Yuba City Unified

Tehama County

K-12

Los Molinos Unified
Red Bluff Union
Elementary

Trinity County

K-12

County Superintendent
Southern Trinity Joint
Unified

Tulare County

K-12

Alpaugh Unified
Liberty Elementary
Lindsay Unified
Porterville Union High
Tulare County
Superintendent
Visalia Unified

Ventura County

K-12

Oak Park Unified
Oceanview Elementary
Oxnard Elementary
Rio Elementary

Yolo County

K-12

County Superintendent
Davis Joint Unified



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